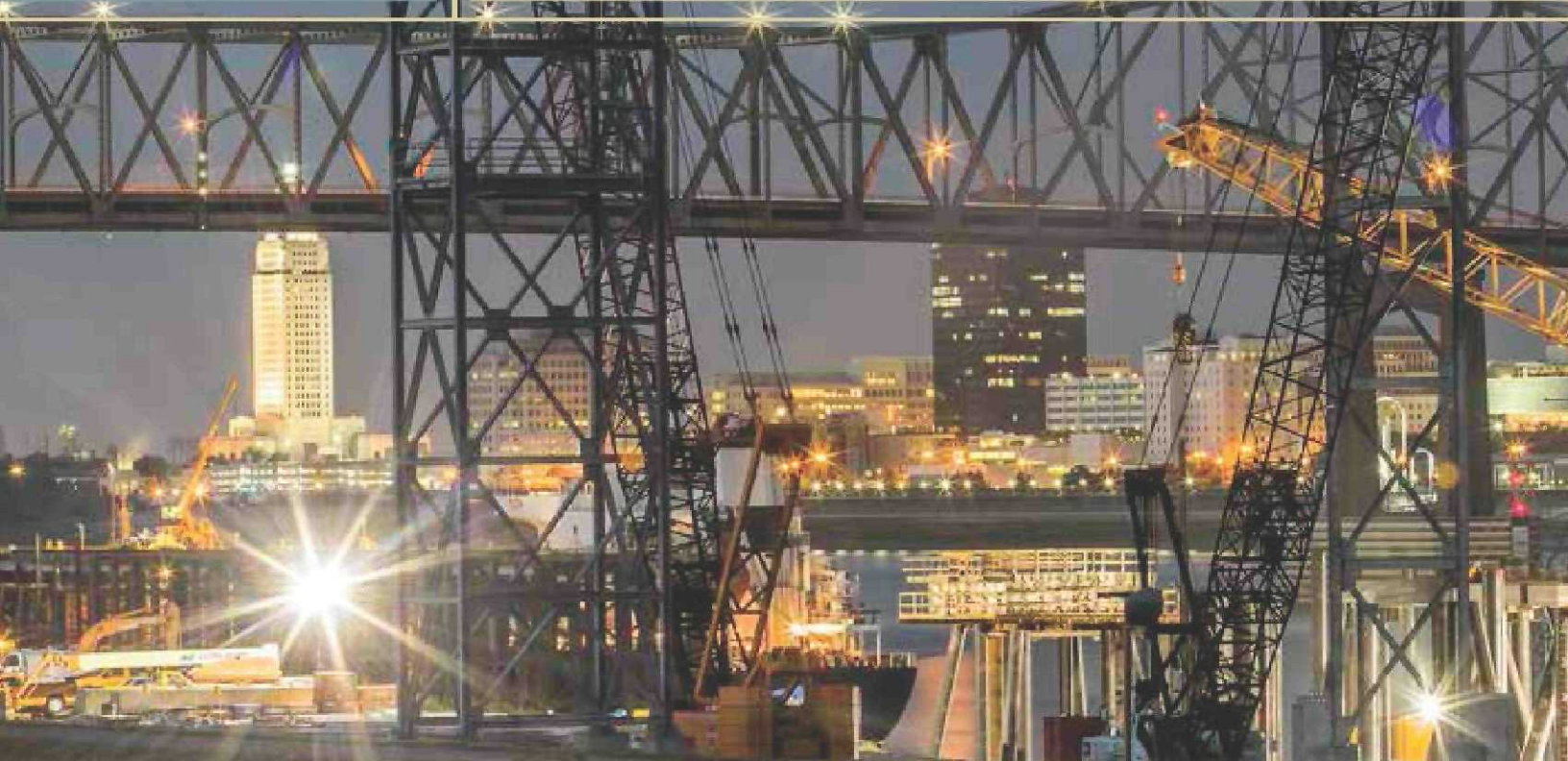


COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT

# CAFR 2012

A COMPONENT UNIT OF THE STATE OF LOUISIANA FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2012



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PORT OF GREATER  
**BATON ROUGE**



Prepared by the Department of Finance and Administration  
Katie G. LeBlanc, Director of Finance and Administration



*Port of Greater Baton Rouge was created in 1952 by Act No. 9 of the Louisiana legislature. Construction began two years later and the first vessel, called the S.S. Clarisse (right), was the first ship to call on the port in 1956.*



*Governor Robert F. Kennon signed legislation creating the Greater Baton Rouge Port Commission on November 4, 1952. Present at the ceremony were (standing, left to right) Ernest Wilson (first Port Commission president), Rolfe McCollister, Sr., Stewart Wallace, Charles Duchein, J.E. Jumonville, Sr., Thomas Jewell, Percy Roberts, Horace Wilkinson, and Paul B. Landry.*

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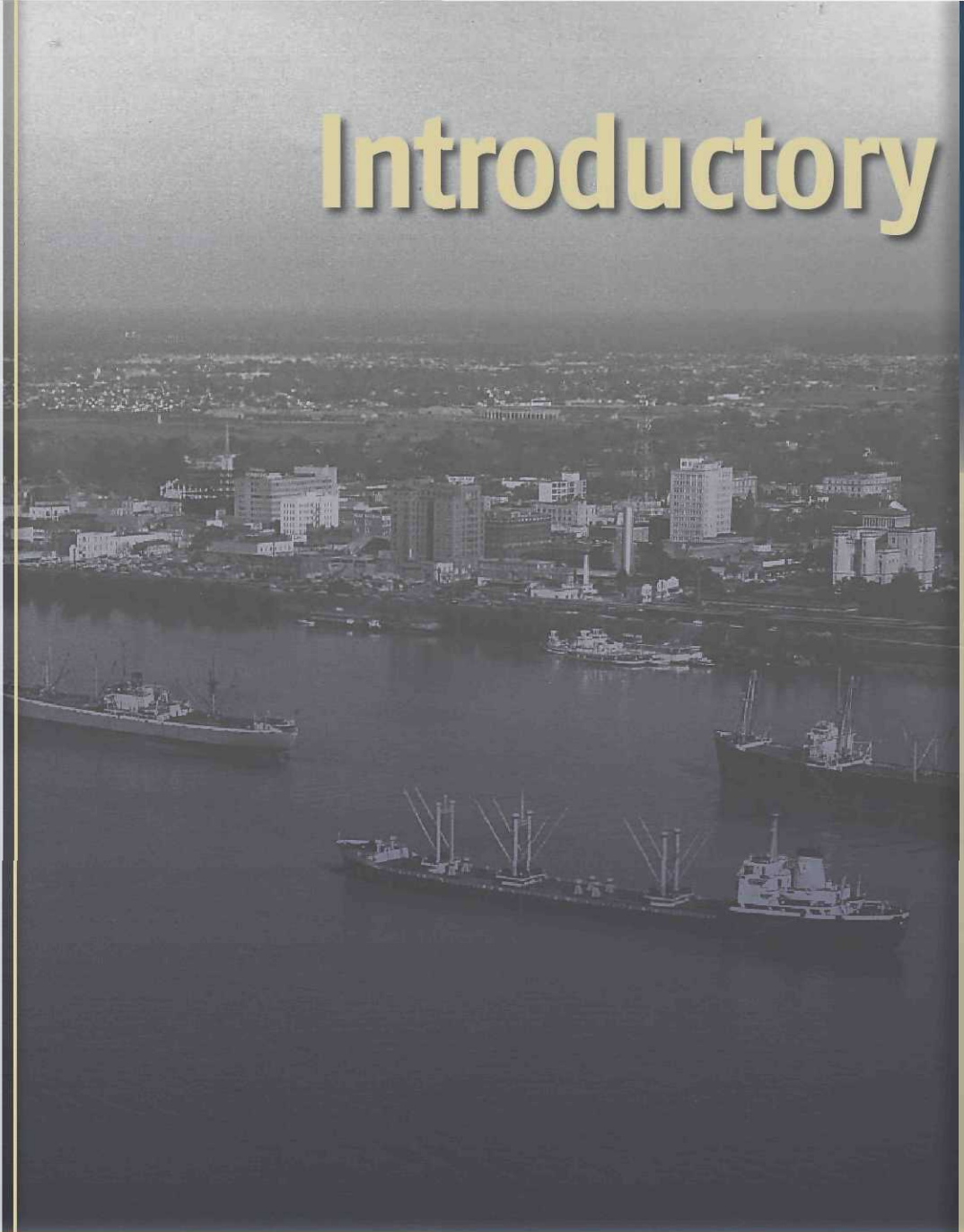
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# Introductory

Introductory

*Commercial, industrial  
and agricultural shipping  
increased dramatically over  
the next decades. An aerial  
view of heavy river traffic  
in front of downtown Baton  
Rouge in the 1950's.*



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 **PORT OF GREATER  
BATON ROUGE**

 **60  
YEARS**  
1952 - 2012



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June 20, 2013

The Board of Commissioners  
Greater Baton Rouge Port Commission  
2425 Ernest Wilson Drive  
Port Allen, Louisiana 70767

Dear Board of Commissioners:

The year 2012 could very well be looked upon as one of the most significant benchmark years since the port was established in 1952. As we celebrated a 60<sup>th</sup> anniversary with a look back on how far this public maritime facility has progressed over the last six decades, we also entered into a period of the greatest capital improvement activity that this port has ever experienced. This activity, which includes private investment, expansions, improvements and new construction, continues today.

According to recently released figures by the U.S. Army Corps of Engineers for 2011, the Port of Greater Baton Rouge's ranking has improved and increased by three positions to 10th in the nation for total tonnage. With almost 58 million tons moved through the port during 2011, the port added more than 2 million tons over the previous year to move up from its 13th ranking in 2010. Almost 62% of the shipments to come through the port were domestic. More than two-thirds of the foreign tonnage was being imported, according to the report.

Throughout 2012, Louisiana's business climate and the Baton Rouge Metropolitan Statistical Area (MSA) continued to be one of the strongest in the United States. The Baton Rouge MSA unemployment rate remained below the national average and the number of new people employed in the area has grown steadily since 2010. The renewed interest in the Mississippi River from the private sector petrochemical, liquid bulk commodities and other maritime industries continues to provide for a large number of new projects and expansions on the Mississippi River.

Driving these decisions for many large multi-national companies is the improved growth in the U.S. economy, government instability and global decline of markets in many parts of the world. Companies are locating and investing in the United States as transportation logistics options remain strategic and there is a developing trend towards preference of United States locations for greater stability in the marketplace. This positive business climate in Louisiana is stimulating growth for the Port and for the companies operating at the port as well as the numerous private sector maritime and petrochemical industries located within the Port's 85-mile jurisdictional area of the Mississippi River. The U.S. government's stability compared to other emerging and

international markets along with the value of a Mississippi River's strategic location, all continue to be an important asset and justification for many multi-national companies considering new sites and projects.

In 2012, there was over \$4 billion of new investment and projects announced on the Mississippi River in the Greater Baton Rouge port region. Private investment and new construction creates synergies that stimulate economic development. The synergy created by these projects will provide an increased number of ship calls, additional barge activity and truck and rail traffic, which results in long-term benefits for the Port, new jobs and additional indirect jobs in the port region. The port is an important economic asset in the region, and these long-term growth opportunities will translate into an expanding and stronger economy for the region.

An overview of 2012 developments at the public facilities of the Port of Greater Baton Rouge:

In 2011, we welcomed Louis Dreyfus Commodities as the new operator of the port's public grain elevator, and during the first quarter of 2012, construction began on an extensive rehabilitation and expansion project of the facility. This project created 170 construction jobs and will create up to 50 new permanent jobs. When completed, more than 5 million metric tons of grain could move through the upgraded facilities annually. A recent report regarding the increase in goods exported from Louisiana stated that total agriculture goods shipped from our state were valued at about \$1 billion. The port anticipates that these upgraded grain facilities will play an important role in the success Louisiana farmers are experiencing in moving their products to markets around the world.

Construction and modernization of the grain facility included the construction of a new grain dock and a new barge unloading facility in the Mississippi River and landside, the facility has been upgraded, modernized, painted and additional storage capacity added to improve the efficiency of handling grain. Anticipation and excitement continue to mount as construction of new and upgraded public grain storage facilities moves towards completion. The grain elevator is scheduled to open in the fall of 2013. Louis Dreyfus Commodities has invested more than \$150 million to upgrade this Port-owned export elevator making this location their base of Mississippi River operations and their flagship facility on the U.S. Gulf Coast.

When the grain elevator reopens in 2013, the opportunity exists to increase grain throughput volumes along with an increase in vessel calls. According to Louis Dreyfus Commodities officials, there is a potential to export more than 5 million metric tons of grain a year at the upgraded grain elevator. The assemblage logistics and exporting of this large quantity of grain will require annually approximately 4,000 barges and 100 Panamax size ships. These improvements and capital investments to the public grain elevator create the opportunity to significantly benefit Louisiana's agricultural interests and farmers well into the future. In addition, there will be an indirect positive effect of job creation for longshoremen, stevedores, tugboat operators and other stakeholders in the maritime industry.

In addition to the capital investment that Louis Dreyfus Corporation is making in the grain elevator, the Port is also contributing funding for the rehabilitation of the original concrete grain silos, demolition of structural steel and equipment, environmental abatements, coating of various components and ancillary projects to improve the aesthetics and efficiencies of the facility. Participation by the Port in these projects will exceed \$6 million.

Louisiana State Capital Outlay Appropriation FY 2009 - Through the support and efforts of the port's legislative delegation, the port received a \$6 million appropriation from the 2009 State Capital Outlay Program. These funds have been used in 2011, 2012, and into 2013 for port improvements, new roadways, and rehabilitations to the public grain elevator and other rehabilitation projects in 2012 and any additional funding for port projects allocated through the 2009 Capital Outlay Budget should be completed in the Summer of 2013.

Westway Terminal Company, which only recently completed an expansion at the port in 2010 that doubled their terminal capacity, received approval from the Port Commission in 2012 to lease an additional six acres for an expansion adjacent to their existing facility. Construction is underway on the addition of new storage tanks. This additional expansion could potentially increase Westway's capacity to store bulk liquid products at the port by another 50%. The demand for liquid bulk terminals to store and transload products continues to be in demand along the lower Mississippi River region.

At the port's Inland Rivers Marine Terminal located on the Gulf Intracoastal Waterway, a \$3.5 million expansion for a new roadway and dock structure was approved for construction by the Port Commission. Construction is scheduled to commence in the summer of 2013. The new roadway will access the additional 24 acres of property that was purchased by the port last year to expand the facility's ability to accommodate future growth and development. The Port completed transactions to acquire 400 acres of prime maritime and industrial property on the Gulf Intracoastal Waterway for further development and expansion of the port.

Katoen Natie, an international logistics company operating at the port's main deepwater complex, expanded its bulk packaging and warehousing operations to add a second packaging line. Katoen Natie invested over \$1 million dollars in new equipment for this expansion and added several new jobs at the port. These value-added services provided by Katoen Natie support the regional manufacturing sector such as ExxonMobil and Total Chemicals. In addition to the IRMT facility, the company expanded its bulk chemical division to a location at the port's main deepwater complex. Katoen Natie USA also recently announced a new logistical complex in East Baton Rouge Parish that it will invest \$150 million to build a plastics storage, custom packaging and distribution facility for producers of petrochemical products in Baton Rouge, Louisiana. The logistics platform will create 210 new direct jobs. Another 150 construction jobs will be created during the building phase.

Baton Rouge Transit, LLC a wholly owned subsidiary of Drax Biomass International Inc. selected the Port of Greater Baton Rouge as the location for its storage and exporting facility. Drax Biomass International is a development and operating company focused on manufacturing wood pellets for renewable low-carbon power generation from sustainable biomass. Drax will transport wood pellets by rail to the Port of Greater Baton Rouge from a manufacturing facility in Bastrop, Louisiana and by truck from a manufacturing facility in Gloster, Mississippi. The pellets will be stored at the port and then loaded onto deep draft vessels for shipment to the United Kingdom. Wood pellets are used widely in Europe as a renewable energy fuel and increasingly as a replacement for coal. Baton Rouge Transit, LLC is investing \$30 million of private investment on this project and is expecting its facility to be fully operational towards the end of 2014.

The storage and loading facilities will be located on 10 acres leased from the port and will have the capacity to store approximately 80,000 metric tons of biomass pellets. This project is expected to make a significant positive impact on Louisiana's transport operations and timber industry as well as increase new ship calls to the Port.

Waller Marine announced a new \$200 million liquefied natural gas (LNG) facility adjacent to the Baton Rouge Barge Terminal in East Baton Rouge Parish, which will increase the activity and use of the port's dry bulk facility.

Rail lines are being upgraded at the Inland Rivers Marine Terminal as part of infrastructure improvements currently underway at the port. Approximately \$3 million is being invested in rail improvements. The Port received a \$1 million grant from the U.S. Economic Development Administration which will greatly assist in this upgrade.

Port tonnage was down slightly but remained stable over the previous year, and three of the existing public facilities, operated by companies located at the port, increased their tonnage substantially due to business growth and expansions. Also, the port's existing tenants reported positive growth during 2012, and the port benefited from the previous private sector investment and completion of 2010, and 2011 projects in the form of increased tonnage, jobs, terminal capacity and revenue. Port revenues continue to be sustainable and the port leadership continues to provide guidance and strategic planning to continue the port's rehabilitation and capital improvement plans for the public maritime facilities.

One of the port's continuing efforts is to expand and improve on facility utilization of the public maritime assets. Through the port's maintenance and rehabilitation programs, state and federal grants, and private sector funding, our maritime infrastructure continues to be upgraded for maximum utilization and diversification of the cargo and revenue streams, and the port is in a state of continuous improvement. The port intends to continue to build upon these public infrastructure assets.

Port business development efforts focus closely on our existing customers and shippers and we continually evaluate market conditions, shipping trends, and the future needs of port users. As a public Port, one of our strategic objectives is to work closely with all private/public partnerships, port stakeholders and maritime interests along the Mississippi River to promote international commerce and trade. The port maintains close working relationships with federal, state, local, and regional authorities and private sector stakeholders within the port jurisdiction to ensure a vertically integrated approach to port growth, sustainability, and maritime security.

The maritime business environment is dynamic, constantly changing, and is an ultra-competitive global industry so the port is continually evaluating future business opportunities and planning for future port needs. The diversification of port cargo and revenue streams continue to be the focal point of the port's overall success and sustainability as a market leader among U.S. Gulf of Mexico ports well into the future.

Our Board of Commissioners and staff are committed to the mission of the Port of Greater Baton Rouge which has been a cornerstone of the port's success as it develops policy and sets a future direction for the growth and betterment of the public port facilities. The port's emphasis for the year ahead will continue to be directed at strategic planning for future port growth and fostering

domestic and international trade so as to create jobs and investment opportunities for industries within the port region.

The Port's Board of Commissioners appreciates the effort and support of the local and state legislative delegations, existing companies located at the port and on the Mississippi River and the cooperative effort of all of the port's stakeholders. My sincere appreciation and thanks to the Port's Board of Commissioners and to the talented and professional port staff for their leadership, guidance and support as the port continues its efforts to build an even stronger port for future generations to ensure another 60 years serving the port's stakeholders and industry.

The outlook for 2013 in the areas of international trade, maritime commerce and industrial expansion is very positive as national and international companies and manufactures continue to have strong interest in the port and its intermodal transportation options on the Mississippi River. The port's leadership and comprehensive policy decisions made by the Port Commission will assure future growth and certainly lead to additional economic development opportunities at the Port. The Mississippi River is a tremendous maritime transportation asset and is critical to our state and national economy. At the port, we are continuing our efforts to increase the value of the Port of Greater Baton Rouge as an economic asset to the entire region.

Sincerely,

A handwritten signature in black ink that reads "Jay Hardman". The signature is stylized, with the first name "Jay" written in a cursive-like script and the last name "Hardman" in a more straightforward, slightly slanted font.

Jay Hardman, P.E.  
Executive Director





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June 20, 2013

Board of Commissioners and Executive Director  
Greater Baton Rouge Port Commission  
Port Allen, Louisiana 70767

The Comprehensive Annual Financial Report of the Greater Baton Rouge Port Commission (the Commission), for the twelve-month period ending December 31, 2012, as prepared by the Finance Department, is hereby submitted for your review.

This report was prepared under the guidance of the Executive Director and by the Finance and Administration Department. Responsibility for the completeness, accuracy and fairness of the presentation rests with the Finance Director and administrative staff. To the best of our knowledge, all data is accurate with regard to all material aspects and is reported in a manner that is designed to fairly present the financial position of the Port Commission. Disclosures necessary to enable the reader to understand the Commission's financial activities have been included.

A Management's Discussion and Analysis (MD&A) that is designed to complement this letter of transmittal and the basic financial statements can be found in the financial section immediately following the report of the independent auditors.

## ECONOMIC OUTLOOK

Louisiana gained 23,900 jobs in 2012, most of them in the private sector, the Louisiana Workforce Commission reported. In 2012, the Baton Rouge Metropolitan Statistical Area (MSA) showed signs of a strong recovery in the wake of the recession. According to the Bureau of Labor Statistics (BLS), the annual unemployment rate for the Capital Region in 2012 was 6.4%, below the national unemployment rate of 8.1%. Total nonfarm employment for the region was 375,200, with an increase of 7,000 jobs compared to 2011. Furthermore, the regional economy added 8,100 private sector jobs in 2012, and had a total of 300,300 private sector jobs. Average weekly earnings of all private sector employees decreased slightly from \$767.07 in 2011 to \$752.30 in 2012.

In 2012, The Brookings Institution ranked the Baton Rouge area as the 14<sup>th</sup> strongest among the 100 largest metro areas in housing prices. The Baton Rouge Area Real Estate Market showed growth in sales over the previous year. Home sales were up roughly 13.3% for 2012 compared to 2011. The Baton Rouge MSA had an exceptional year for regional and state economic development in 2012. It was also a challenging year for some businesses and the national economic landscape as the national recession lingered and impacted many businesses.

The booming petrochemical industry, and construction growth has provided the Baton Rouge area with reasons for continued optimism over the next few years. The ample supply of low cost natural gas in south Louisiana has lowered the cost of one of the industry's primary feedstock and fuel sources.

The Louisiana Chemical Association recently announced \$60 billion in new and ongoing plant additions in petrochemical construction projects in the Baton Rouge Region and along the Mississippi River with other expansions planned. 2012 expansions to the area include: BASF (\$233 million); Air Liquide (\$85 million), CF Industries (\$2.1 billion) expansion of its ammonia and urea Donaldsonville plant – largest project in parish history; Methanex Corporation's relocation of its methanol manufacturing plant from Chile to Geismar, (\$550 million) creating 130 jobs, with a second plant pending; Avalon Rare Metals (\$350 million) start-up manufacturing facility creating 175 jobs; Genesis Energy announcement of a (\$125 million) 18 mile crude oil pipeline connecting to ExxonMobil Baton Rouge; ExxonMobil expanding lubricant plants in Baton Rouge & Port Allen, (\$215 million) and adding 45 jobs; Shintech Louisiana expanding hydroxyethyl cellulose plant in Plaquemine (\$120 million) adding 30 jobs; Petroplex, St James plans for a (\$600 million) oil storage terminal; Expansion at BASF valued over (\$138 million); Expansion at Aegis Flow Technologies, Geismar, (\$2 million); Union Pacific Railroad announced major rail upgrades in south Louisiana and new rail car storage yard in St. James Parish and Addis, Louisiana; Louisiana Scrap completed a new facility on the Gulf Intracoastal Waterway in West Baton Rouge; Waller Marine (\$200 million) and Louis Dreyfus Commodities (\$150 million).

The demand for industrial real estate strengthened throughout 2012, and the trend should continue into 2013. By the end of 2012, the inventory vacancy rate for industrial commercial real estate stood at approximately 11.6% as compared to 14.4% at year-end 2011. This is an important note, as this reflects the third consecutive year that available industrial space has declined. The last recorded vacancy rate of 11% was in 2004, a marketplace considered stable and not stimulated by the abnormal impact on demand for space resulting from Hurricane Katrina (2005-2006). By comparison, the national industrial vacancy rate year-end was near 10% and dropping into 2013.

The International Trade Administration (ITA) announced 2012 data indicating that Louisiana merchandise exports increased 15% in 2012 compared to 2011, growing from \$55.0 billion to \$63.2 billion. This was a record high export level for the state. Louisiana's strong performance in 2012 helped the United States reach an all-time record for exports of U.S. goods and services, reaching \$2.2 trillion in 2012 and supporting nearly 10 million American jobs.

Louisiana's 2012 merchandise export sales outpaced the 2011 figures in many top destinations, including: Gibraltar (+155%); Venezuela (+100 %); France (+67%); Colombia (+63%); and Germany (+49%). Key merchandise export categories include: petroleum products; agricultural products; chemicals; food and kindred products; and machinery. Exports continue to be a driver of the U.S. economy, supporting millions of well-paying jobs across America. This data confirms that the United States efforts to remove trade barriers and help American businesses compete globally are having an impact here in Louisiana. These export statistics indicate that for more and more Louisiana companies, selling internationally is a key component in growing their business and profits. Nationwide, the trend for small to medium sized businesses increased as these businesses are marketing and exporting their products internationally.

Louisiana is experiencing a substantial increase in worldwide export sales according to the U.S. Department of Commerce, Export Assistance Center located in New Orleans, Louisiana.

While Louisiana had an outstanding year in 2012 by being ranked as the number one state in exports per capita, the state has been able to build upon those successes and increase its exports more during the first quarter of 2013. Our state saw remarkable improvement, which is reflected in the 2013 first quarter (Q1) export statistics. Louisiana rose in the U.S. state export ranks from number 7 in 2012 to number 5 in (Q1) 2013 statistics. This is the highest ranking in the recent history for Louisiana. The top markets for Louisiana goods were China, Mexico, and Singapore, but many other countries saw increases in trade with our state as well. Mexico and Singapore especially saw their export relationship with Louisiana bloom, with exports increasing by 29.7% in Mexico and 66.8% in Singapore.

Louisiana's principal export markets for this quarter continued to be China and Mexico. However, exports with China diminished by \$312 million in the first quarter of 2013 compared to the same period last year. In contrast, exports with Mexico increased by \$423 million. Louisiana's principal export markets for 2012 were China (\$7.34 billion, up 13.1%), Mexico (\$5.69 billion, up 105%), and Japan (\$3.85 billion, up 25.5%), followed by the Netherlands, Canada, Korea, Singapore, and Brazil.

As in 2011 and again in 2012, Louisiana natural resources were a significant reason for a 33% increase in total Louisiana exports. Louisiana's manufacture of chemicals and refined products has continued to see strong export growth (up 28%) to rapid growth markets such as China, Mexico, South Korea and Chile. Food products continue to find new market potential in Latin America and the European U.S. Free Trade Agreements approved by Congress, which have doubled and in some cases tripled Louisiana exports to markets like South Korea, Mexico and Chile. Ports handling coal and other natural resources continue outstanding export activity, growing 74%.

The value of Louisiana's petroleum and coal exports rose almost 75% in 2012, from \$10.8 billion to \$18.9 billion, reflecting growing global demand and higher prices. Agriculture exports followed at (\$17.3 billion, up 14.18%), with chemicals (\$8.14 billion, up 29%), food manufactures (\$4 billion, up 2.2%), and minerals and ores (\$1.7 billion, up 117 %) rounding out the state's top five industries.

U.S. agriculture exports reached a record-breaking \$141 billion in 2012, up 2% from the previous year. Exports of most commodities as well as value-added consumer ready food soared in markets such as Canada, Mexico, China and other key Asian destinations. More agricultural products are exported from Louisiana than any other state in the United States. Bulk commodities were aided by a competitive dollar and short international supplies, resulting in international demand for Louisiana food and cuisine, which provides good opportunities for Louisiana's farmers and agricultural products.

In 2012, the Port of Greater Baton Rouge increased its ranking to 10<sup>th</sup> in the nation in total tonnage with over 57.8 million short tons moving through the port jurisdiction. The Mississippi River petrochemical corridor and the vast amount of agricultural products, cargo, and raw materials imported and exported make the port a strategic location of national and international importance. Typically within the port industry, factors related to the local, national and international economies contribute significantly to the port's level of success.

In 2012, the Port entered a period of the greatest capital improvement activity that this port has ever experienced in its history with over \$200 million in construction and expansion announced by companies located at the port. This activity, which includes over \$200 million in private investment, has resulted in upgrading and expanding the public port facilities. As the port continues to expand and complete current projects underway we expect the future to be positive for the Port over the long-term.

The port will move forward with its current efforts and projects and will place emphasis on future growth as opportunities for cargo movement expand. The port places strong emphasis on its overall mission to foster economic development, job creation and international trade within the port's jurisdiction. It is expected that changes, such as the strengthening or weakening of the dollar against foreign currencies, world energy demand, a focus on the need to be less fossil fuel dependent, exporting grain products, and an overall population growth in the southern region of the United States, will all have a significant impact on the port's future.

The port's operating revenues for 2012 increased considerably in 2012 from 2011. Overall Port Revenues changed from \$5,891,664 in 2011 to \$6,805,794 in 2012, an increase of 16%. Combined operating and non-operating revenues were recorded at \$7,057,831 which was up by \$562,409 over the same period in 2011. Increases in rentals, dockage and wharfage contributed to the increase for 2012. Net assets increased by \$1,491,477 including the effects of a decrease in capital contributions of \$2,943,870. Total net assets were \$70,515,774 at year-end, as compared to \$69,024,297 the previous year.

As staff continues to focus on diversification and future growth for the port, our dedicated, talented employees, will carry out daily port operations to enhance and improve the public port facilities. We will also strive to provide opportunities and incentives so that the port has the ability to expand and entice new business to locate and operate within the port's jurisdiction. As the port region continues to grow, there will be opportunities to increase the port's revenue base as well as to stimulate new opportunities for our local, state, and national economies as the port continues to be an economic driver for the region.

## **2012 PORT MAJOR INITIATIVES**

In 2011, Louis Dreyfus Commodities, LLC (LDC) became the new operator of the port's public grain elevator. Immediately, the company began an extensive rehabilitation and expansion project of the facility. This project has created 150 construction jobs and up to 30 new permanent jobs. The facility is expected to re-open when construction is completed in October 2013. When completed, more than 5 million metric tons of grain could move through the upgraded facilities annually. The port is anticipating that these upgraded grain facilities will play an important role in the success Louisiana farmers are experiencing in moving their products to markets around the world, and the public grain elevator will be LDC's flagship grain facility on the Mississippi River.

In addition to the capital investment that Louis Dreyfus Corporation has made to the grain elevator, the Port is also contributing funding for the rehabilitation of the original concrete grain silos, demolition of structural steel and equipment, environmental abatements, coating of various components and ancillary projects to improve the aesthetics and efficiencies of the facility. Participation by the Port in these projects will exceed \$6 million.

Louisiana State Capital Outlay Appropriation FY 2009 - Through the support and efforts of the port's legislative delegation, the port received a \$6 million appropriation from the 2009 State Capital Outlay Program. These funds have been used in 2011, 2012, and into 2013 for port improvements, new roadways, and rehabilitations to the public grain elevator and other rehabilitation projects in 2012, and any additional funding for port projects allocated through the 2009 Capital Outlay Budget should be completed in the Summer of 2013.

In 2012, the Port completed transactions to acquire approximately 400 acres of prime maritime and industrial property located on the Gulf Intracoastal Waterway for further development and expansion of the port. Total cost of the land acquisition was \$6,469,328. The property will enhance the use of the existing Inland Rivers Marine Terminal.

Westway Terminal Company, which completed an expansion at the port in 2010 that doubled their terminal capacity, received approval from the Port Commission in 2012 to lease an additional six acres for an expansion adjacent to their existing facility. Construction is underway on the addition of new storage tanks. This additional expansion could potentially increase Westway's capacity to store bulk liquid products at the port by another 50%.

At the port's Inland Rivers Marine Terminal located on the Gulf Intracoastal Waterway, a \$3.5 million expansion for a new roadway and dock structure was approved for construction by the Port Commission. Construction is scheduled to commence in the summer of 2013. The new roadway will access the additional 24 acres of property that was purchased by the port in 2011 to expand the facility's ability to accommodate future growth and development.

Baton Rouge Transit, LLC, a wholly owned subsidiary of Drax Biomass International Inc., selected the Port of Greater Baton Rouge as the location for its storage and exporting facility. Drax Biomass International is a development and operating company focused on manufacturing wood pellets for renewable low-carbon power generation from sustainable biomass. Wood pellets are used widely in Europe as a renewable energy fuel and increasingly as a replacement for coal. Baton Rouge Transit is investing \$30 million of private investment on this project and is expecting its facility to be fully operational towards the end of 2014. The storage and loading facilities will be located on 10 acres leased from the port and will have the capacity to store approximately 80,000 metric tons of biomass pellets. This project is expected to make a significant positive impact on Louisiana's transport operations and timber industry as well as increase new ship calls to the Port.

Waller Marine announced a new \$200 million liquefied natural gas (LNG) facility adjacent to the Baton Rouge Barge Terminal in East Baton Rouge Parish, which will increase the activity and use of the port's dry bulk facility.

Rail lines are being upgraded at the Inland Rivers Marine Terminal as part of infrastructure improvements currently underway at the port. Approximately \$3 million is being invested in rail improvements. The Port received a \$1 million grant from the U.S. Economic Development Administration, which will greatly assist in this upgrade.

## FINANCIAL CONDITION

As demonstrated by the statements and schedules included in the financial section of this report, the Commission continues to be in sound financial condition.

## REPORTING ENTITY

The Greater Baton Rouge Port Commission was established by virtue of Act 9 of the Regular Session of the 1952 Legislature of Louisiana, adopted as an amendment to the Constitution of Louisiana as Section 29, Article VI thereof, and was created as an Executive Department (now a political subdivision) of the State of Louisiana. The Commission is governed by a board of commissioners and has the power and authority to regulate the commerce and traffic within certain boundaries of the State of Louisiana and has charge of and administers public wharves, docks, sheds, landings and other structures useful for the commerce of the port area.

## FINANCIAL REPORTING

The Commission is a component unit of the State of Louisiana and includes only the financial information of this component unit.

The financial statements of the Commission have been prepared in accordance with generally accepted accounting principles applicable to governments and to the guidelines set forth in the industry audit guide, *Audits of State and Local Governmental Units*. The Greater Baton Rouge Port Commission adopted the provisions of Governmental Accounting Standards Board's Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments* and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

## FUND DESCRIPTION

The Greater Baton Rouge Port Commission has only one fund to which all accounts are organized and accounted for as a single entity. This fund is operated as an Enterprise Fund, which are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges.

## INTERNAL CONTROLS

The management of the Commission is responsible for establishing and maintaining internal controls over its operations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures.

The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived and that the evaluation of the costs and benefits requires estimates and judgments by management.

## **BUDGETARY CONTROL**

The Commission staff prepares an annual Operations and Maintenance Budget that is based on expected collections and expenditures for the fiscal year. The Board of Commissioners approves and adopts the budget, which constitutes the authority of the Commission to incur liabilities and authorize projected expenditures from the respective budgeted categories.

In addition, the Commission approves certain expenses from the general fund account for maintenance of existing facilities and for new construction, on an as needed basis.

Monthly financial statements, which compare actual performance with budget, are presented to the Commission for review of the financial status and to measure the effectiveness of the budgetary controls.

## **DEBT ADMINISTRATION**

The Commission is authorized by the state legislature to have outstanding indebtedness of up to \$100,000,000 evidenced by negotiable bonds or notes. The Greater Baton Rouge Port Commission has outstanding Bond indebtedness of \$4,335,309.00 through a 1999A and 1999B Series issue. These bonds mature serially to the year 2019. The bonds are limited and special obligations payable solely from lawfully available funds and certain funds held by the Trustee pursuant to the Trust Indenture. No other assets are available for payment of the principal or interest on the Bonds.

## **INDEPENDENT AUDIT**

State statutes require an annual audit by either an independent certified public accountant or the Legislative Auditor. The Louisiana Legislative Auditor elected to contract this service to the independent Certified Public Accounting firm, Broussard & Company, Certified Public Accountants for the audit years 2011-2013. The auditor's report on the component unit financial statements is included in the financial section of this report.

## **AWARDS**

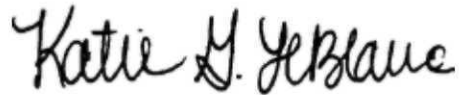
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port Commission for its comprehensive annual financial report for the fiscal year ended December 31, 2011. This was the 17<sup>th</sup> consecutive year the Port Commission received this prestigious award. To be awarded a Certificate of Achievement, the Port Commission must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement from the GFOA is valid for a period of one year only. The port's finance department's evaluation concluded that this current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements. This report will be submitted to the GFOA for evaluation and to determine its eligibility for another Certificate of Achievement.

### ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the staff of the Finance and Administration Department, and the support of the executive department and the personnel of the professional accounting firm of Broussard & Company, Certified Public Accountants. Special recognition is given to the port finance and accounting staff, for their extraordinary efforts and professionalism in maintaining and preserving the port's financial department and records throughout the year and the design and preparation of the 2012 Comprehensive Annual Financial Report.

Respectfully Submitted,

A handwritten signature in black ink that reads "Katie G. LeBlanc". The signature is written in a cursive, flowing style.

Katie G. LeBlanc  
Director of Finance and Administration

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Greater Baton Rouge  
Port Commission, Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Morrell*

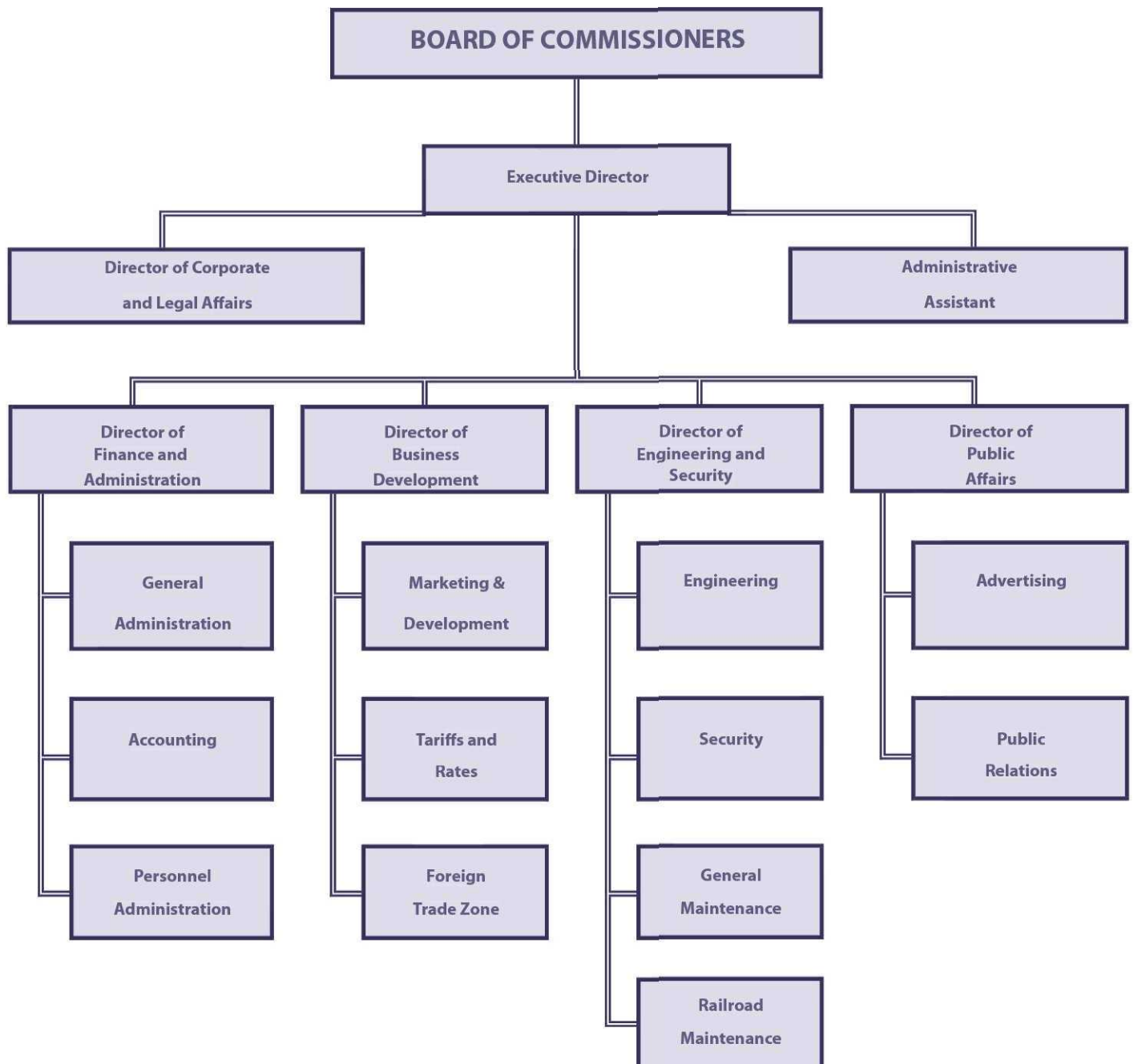
President

*Jeffrey R. Enen*

Executive Director



## ORGANIZATIONAL CHART





## GREATER BATON ROUGE PORT COMMISSION

A Political Subdivision of the State of Louisiana

### BOARD OF COMMISSIONERS 2012

**Jerald Juneau**  
President

**Blaine Sheets**  
Secretary

**Timothy W. Hardy**  
Vice President

**Angela Machen**  
Treasurer

### COMMISSIONERS

**Don Bohach**  
**Randy Brian**  
**Alvin Dragg**  
**Brenda Hurst, CPA**  
**Raymond Loup**

**Roy Pickren, Jr.**  
**Randy Poche**  
**Corey Sarullo**  
**Clint Seneca**  
**John Tilton**

### PORT STAFF

**John G. Hardman, Jr., P.E.**  
Executive Director

**Greg Johnson**  
Director of Business Development

**Karen K. St. Cyr**  
Director of Public Affairs

**Barry Wilkinson**  
Director of Corporate and Legal Affairs

**Cortney White, P.E.**  
Director of Engineering and Security

**Katie G. LeBlanc**  
Director of Finance and Administration







The Baton Rouge Barge Terminal was dedicated with much fanfare in 1959. The barge terminal was modified in 1999 to a bulk handling facility which handles in excess of a million short tons of green and calcined coke. Completed in 1959, the Barge Terminal is located just north of Baton Rouge on a slack-water canal on the east bank of the Mississippi River.



# Financial

Financial

FINANCIAL REPORT  
GREATER BATON ROUGE  
PORT COMMISSION  
(STATE OF LOUISIANA)  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2012

Submitted by:  
Department of Finance





**Broussard & Company**  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Greater Baton Rouge Port Commission  
Port Allen, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Greater Baton Rouge Port Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Greater Baton Rouge Port Commission, as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information

One Lakeside Plaza, 127 West Broad Street,



Suite 800, Lake Charles, LA 70601

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required supplementary information other than MD&A, as required by the Government Accounting Standards Board, and other supplementary information are presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The required supplementary information other than MD&A and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information other than MD&A and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Annual Financial Report, presented as supplementary information in the Compliance Section, is not a required part of the basic financial statements, but is supplementary information required by Louisiana's Office of Statewide Reporting and Accounting Policy. The Annual Financial Report is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Annual Financial Report is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2013, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.



Lake Charles, Louisiana  
June 10, 2013

# GREATER BATON ROUGE PORT COMMISSION

Port Allen, Louisiana

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of Greater Baton Rouge Port Commission's (the Commission) financial performance provides a narrative overview and analysis of the Commission's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the Commission's basic financial statements.

### FINANCIAL HIGHLIGHTS

1. Cash decreased by \$1,313,000 during the year primarily related to less capital contributions from the federal and state governments.
2. Operating revenues increased \$914,000 during 2012 due to rental income.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. Government Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, provides that special purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of:

- Management's discussion and analysis (MD&A)
- Statement of net position
- Statement of revenues, expense, and changes in net position
- Statement of cash flows
- Notes to the financial statements
- RSI other than MD&A, if applicable.

### Enterprise Fund Financial Statements

The basic financial statements present information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide information to present the change in the Commission's financial condition for the current year's operations. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most businesses. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net position and their changes. Net position – the difference between assets and liabilities – is a measure of the financial position of the Commission. Increases or decreases in the Commission's net position are an indicator of whether the Commission's financial position is improving or deteriorating.

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating, non-capital financing activities, capital and related financing activities, and investing activities.

## FINANCIAL ANALYSIS OF THE ENTITY

### GREATER BATON ROUGE PORT COMMISSION STATEMENT OF NET POSITION (In thousands)

	2012	2011	% Change
Current and other assets	\$ 17,304	\$ 20,598	(16)
Capital assets	62,716	57,491	9
Total assets	80,020	78,089	2
Current and other liabilities	3,314	2,367	40
Long-term obligations	6,190	6,698	(8)
Total liabilities	9,504	9,065	5
Components of Net Position:			
Net investment in capital assets	\$ 58,278	\$ 52,531	11
Restricted for debt service	95	116	(18)
Unrestricted	12,143	16,377	(26)
Total net position	\$ 70,516	\$ 69,024	2

Restricted net position represents those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net position includes those that do not have any limitations on how the amounts may be spent.

Net position of the Commission increased by \$1,492,000, or 2%, from December 31, 2011 to December 31, 2012. The primary reason is due to the increase in rental income.

**GREATER BATON ROUGE PORT COMMISSION**  
**CHANGES IN NET POSITION**  
(In thousands)

	2012	2011	% Change
Operating revenues			
Dockage and wharfage	\$ 1,406	\$ 1,716	(18)
Rentals	3,896	2,921	33
Other	1,503	1,254	20
Total operating revenues	<u>6,806</u>	<u>5,892</u>	<u>16</u>
Operating expenses			
Direct	2,332	2,369	(2)
Administrative	2,228	2,101	6
Postemployment benefits	208	311	(33)
Depreciation	2,818	2,516	12
Total operating expenses	<u>7,586</u>	<u>7,297</u>	<u>4</u>
Operating income (loss)	(780)	(1,405)	
Non-operating revenues	252	604	(58)
Non-operating expenses	(442)	(273)	62
Income (loss) before contributions	<u>(970)</u>	<u>(1,074)</u>	<u>(10)</u>
Capital contributions	<u>2,462</u>	<u>5,406</u>	<u>(54)</u>
Change in net position	1,492	4,332	(66)
Total net position- beginning of year	<u>69,024</u>	<u>64,692</u>	<u>7</u>
Change in net assets	<u>\$ 70,515</u>	<u>\$ 69,024</u>	<u>2</u>

The Commission's operating revenues increased by 16%, or \$914,000, due to additional rental income throughout the year. Expenses increased by 4% or \$289,000, which was primarily related to the increase in depreciation of capital assets.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal years ended December 31, 2012 and 2011, the Commission had \$62,614,000 and \$57,373,000, respectively, invested in a broad range of capital assets, including land, construction in progress, railroad tracks and yards, roadways and structures, buildings and structures, equipment, furnishings and transportation equipment. This amount represents a net increase (including additions and disposals) of \$5,241,000 over the last year. Accumulated depreciation at the end of 2012 and 2011 was \$66,878,000 and \$64,060,000, respectively. For additional information on capital asset activity, see note 5 in the Notes to the Financial Statements section. Capital assets at December 31, net of accumulated depreciation, are as follows:

<b>CAPITAL ASSETS</b>		
<b>(In thousands)</b>		
	<u>2012</u>	<u>2011</u>
Land	11,203	8,109
Construction in progress	10,483	10,265
Building and improvements	30,285	27,747
Equipment	3,195	3,395
Infrastructure	<u>7,448</u>	<u>7,857</u>
Total	<u>\$ 62,614</u>	<u>\$ 57,373</u>

### Debt

The Commission had \$4,335,309 in revenue bonds outstanding as of December 31, 2012, compared to \$4,834,000 in the prior year, a decrease of 10.3%. No new debt was issued during the year ended December 31, 2012. The Commission carries a BBB- debt rating on its debt. Additional information concerning the revenue bonds is disclosed in note 6 in the Notes to the Financial Statements.

## ECONOMIC FACTORS AND NEXT YEARS BUDGETS

In accordance with the requirements of GASB 34, we are not aware of any known facts, decisions or conditions that are expected to have a significant effect on the Commission's financial position or results of operations.

## CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, customers, investors, and creditors with an overview of the Commission's finances and to show the Commission's accountability for the revenues and other funding it receives. If you have any questions about this report or need additional information, contact Katie LeBlanc, Director of Finance, Greater Baton Rouge Commission at P.O. Box 380, Port Allen, Louisiana 70767 or (225) 342-1660.



**GREATER BATON ROUGE PORT COMMISSION**Exhibit A

Port Allen, Louisiana

**STATEMENT OF NET POSITION**

December 31, 2012

**ASSETS****CURRENT**

Cash	\$ 5,429,320
Investments	9,536,762
Accounts receivables, net	1,466,539
Accrued interest receivable	74,979
Prepaid expenses	56,760
Restricted assets:	
Restricted investments	739,549
Restricted accrued interest receivable	<u>198</u>
Total current assets	<u>17,304,107</u>

**CAPITAL ASSETS**

Non-depreciable	21,686,104
Depreciable, net	<u>40,927,653</u>
Total capital assets	62,613,757

**UNAMORTIZED DEBT ISSUE COSTS**

	<u>102,007</u>
Total noncurrent assets	<u>62,715,764</u>
Total assets	<u>\$ 80,019,871</u>

The accompanying notes to the financial statements  
on Exhibit D are an integral part of this statement.

**GREATER BATON ROUGE PORT COMMISSION**

Port Allen, Louisiana

**Exhibit A**  
(Continued)**STATEMENT OF NET POSITION**

December 31, 2012

**LIABILITES****CURRENT**

Payable from unrestricted assets:

Accounts payable	\$ 477,176
Contracts payable	533,666
Other accrued liabilities	623,299
Revenues received in advance	<u>1,035,100</u>

Total current liabilities - payable from unrestricted assets	<u>2,669,241</u>
--	------------------

Payable from restricted assets:

Current portion of long-term debt	520,000
Accrued interest payable	76,820
Unredeemed bonds and coupons	<u>48,405</u>

Total current liabilities - payable from restricted assets	<u>645,225</u>
--	----------------

Total current liabilities	<u>3,314,466</u>
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<b>ENVIRONMENTAL REMEDIATION LIABILITY</b>	50,048
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<b>OTHER POST EMPLOYMENT BENEFITS PAYABLE</b>	2,324,274
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<b>LONG TERM DEBT</b>	<u>3,815,309</u>
-----------------------	------------------

Total noncurrent liabilities	<u>6,189,631</u>
------------------------------	------------------

Total liabilities	<u>9,504,097</u>
-------------------	------------------

**NET POSITION**

Net investment in capital assets	58,278,448
Restricted for debt service	94,522
Unrestricted	<u>12,142,804</u>

Total net position	<u>70,515,774</u>
--------------------	-------------------

Total liabilities and net position	<u>\$ 80,019,871</u>
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The accompanying notes to the financial statements  
on Exhibit D are an integral part of this statement.



**GREATER BATON ROUGE PORT COMMISSION**Exhibit B

Port Allen, Louisiana

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

For the year ended December 31, 2012

**OPERATING REVENUES**

Dockage and wharfage	\$ 1,406,447
Rentals	3,896,287
Other	<u>1,503,060</u>
Total operating revenues	<u>6,805,794</u>

**OPERATING EXPENSES**

Direct	2,331,907
Administrative	2,228,246
Postemployment benefits	207,918
Depreciation	<u>2,818,311</u>
Total operating expenses	<u>7,586,382</u>
Operating loss	<u>(780,588)</u>

**NON-OPERATING**

Investment income	246,720
Insurance recoveries	5,115
Interest expense	(234,475)
Settlement (Note 10)	(200,000)
Gain on sale of capital assets	202
Amortization of debt issue costs	<u>(7,473)</u>
Total nonoperating revenues	<u>(189,911)</u>

Change in net assets before contributions	(970,499)
Capital contributions, net	<u>2,461,976</u>
Increase in net position	1,491,477

**NET POSITION**

Beginning of year	<u>69,024,297</u>
End of year	<u>\$ 70,515,774</u>

The accompanying notes to the financial statements  
on Exhibit D are an integral part of this statement.

**GREATER BATON ROUGE PORT COMMISSION**Exhibit C

Port Allen, Louisiana

**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2012

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 6,726,155
Payments to suppliers for goods and services	(2,141,262)
Payments to employees for services	<u>(2,231,049)</u>
Net cash provided by operating activities	<u>2,353,844</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Repayment of loans	(498,850)
Interest paid on loans	(233,909)
Acquisition/construction of capital assets	(7,924,576)
Capital contributions	3,129,133
Insurance recoveries	<u>5,115</u>
Net cash used in capital and related financing activities	<u>(5,523,087)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from calls and maturities of investment securities	1,355,000
Interest and dividends earned on investment securities	<u>501,454</u>
Net cash provided by investing activities	1,856,454
Net decrease in cash	(1,312,789)

**CASH**

Beginning of the year	<u>6,742,109</u>
End of the year	<u>\$ 5,429,320</u>

The accompanying notes to the financial statements  
on Exhibit D are an integral part of this statement.

**GREATER BATON ROUGE PORT COMMISSION**

Port Allen, Louisiana

Exhibit C  
(Continued)**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2012

**RECONCILIATION OF OPERATING LOSS TO NET****CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating loss	\$ (780,588)
Adjustments of operating loss:	
Depreciation	2,818,311
Change in operating assets and liabilities	
Accounts receivable	(293,414)
Prepaid expenses	(2,803)
Accounts payable and other accrued liabilities	190,645
Revenue received in advance	213,775
OPEB benefits	<u>207,918</u>
Net cash provided by operating activities	<u>\$ 2,353,844</u>

**SCHEDULE OF NONCASH INVESTING, CAPITAL  
AND FINANCING ACTIVITIES:**

Change in unrealized loss on investments	<u>\$ (115,891)</u>
Change in investment premiums and discounts	<u>\$ (123,709)</u>
Change in accrual of capital contributions	<u>\$ (667,157)</u>

The accompanying notes to the financial statements  
on Exhibit D are an integral part of this statement.



## GREATER BATON ROUGE PORT COMMISSION

Exhibit D

## NOTES TO FINANCIAL STATEMENTS

December 31, 2012

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Greater Baton Rouge Port Commission (the Commission) was established by virtue of Act 9 of the Regular Session of the 1952 Legislature of Louisiana, adopted as an amendment to the Constitution of Louisiana as Section 29, Article VI, thereof. The Commission was created as an Executive Department (now a political subdivision) of the State of Louisiana. The Commission is governed by a board of commissioners and has the power and authority to regulate the commerce and traffic within certain boundaries of the State of Louisiana and have charge of and administer public wharves, docks, sheds, and landings and other structures useful for the commerce of the port area.

**Basis of Presentation**

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards. The Commission applies all GASB pronouncements as well as Financial Accounting Standards (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. All activities of the Commission are accounted for within a single proprietary (enterprise) fund. This fund type is used to report any activity for which a fee is charged to external users for goods and services

**Reporting Entity**

As the governing authority of the state, for reporting purposes, the State of Louisiana is the financial reporting entity. The financial reporting entity consists of (1) the primary government (state), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Exhibit D**  
(Continued)**Reporting Entity (continued)**

The Commission is considered a component unit of the State of Louisiana because the state has financial accountability over the Commission in that the governor appoints all the commission members and can impose his will on the Commission. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the state, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**Measurement Focus**

The Commission applies the provisions of Statement No. 34 ("Statement 34") of the GASB *Basic Financial Statements and Management's Discussion and Analysis for State and Local Government*. Statement 34 establishes standards for external financial reporting for all state and local governmental entities which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows.

The accounts of the Commission are organized and operated as an enterprise fund. Enterprise funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

**Budgets and Budgetary Accounting**

The Commission prepares the annual Operations and Maintenance budget for internal management purposes, and the budget is based on what is expected to be collected during the fiscal year. The budget is approved by the Board of Commissioners. The adopted budget constitutes the authority of the Commission to incur liabilities and authorize expenses from the respective budgeted funds. In addition, certain expenses are approved monthly by the Board before payment from the General Fund budget. The Commission is not required to present a budget comparison in its financial statements.

**Cash and Investments**

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and cash in trust accounts. The Commission is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Exhibit D  
(Continued)**Cash and Investments (continued)**

State Law R.S. 33.2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

**Receivables**

Receivables consist of all revenues earned at year-end and not yet received. All known uncollectible accounts have been removed from receivables and an allowance has been made for doubtful accounts based on a periodic aging of accounts receivable. Receivables are comprised of dock and wharf fees as well as rentals.

**Capital Assets**

Property and equipment are stated at cost. Public domain (infrastructure) assets including roads, surface drainage, railroad tracks and yards are capitalized along with other capital assets. The Commission generally capitalizes assets with a cost of \$500 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets as shown below:

	<u>Years</u>
Railroad tracks and yards	20 - 40
Buildings and structures	5 - 40
Roadways and surface drainage	5 - 33
Equipment	5 - 25
Office furniture and fixtures	3 - 10
Transportation equipment	3 - 5

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Exhibit D**  
(Continued)**Restricted assets**

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are for loan repayment and debt service.

**Lease Revenue Recognition**

Lease rentals, as further explained in Note 8, are accounted for under the operating method whereby revenue is recognized currently as rentals become due.

**Unamortized Debt Issue Expenses and Premium**

Debt expense and premium, incurred in connection with obtaining loan financing, are amortized using the balance outstanding method over the term of the loans.

**Compensated Absences**

Employees accrue and accumulate annual and sick leave at varying rates in accordance with state law based on full-time service. The leave is accumulated without limitation. Upon separation of employment, employees or their heirs are compensated for accumulated annual leave not to exceed 300 hours at their current rate of pay. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expense when the leave is earned.

**Equity Classifications**

Equity has classifications of net position that are displayed in three components:

- Invested in capital assets, net of related debt - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Exhibit D  
(Continued)**Revenues and Expenses**

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Commission. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions.

When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the Commission's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

**Change in Accounting Principle**

During the year ended December 31, 2012, the Commission adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

GASB Statement No. 63 introduced and defined deferred outflows of resources and deferred inflows of resources as consumption and an acquisition, respectively, of net assets by the government that is applicable to a future reporting period. It also identifies net position, rather than net assets, as the residual of all elements presented in a statement of net position.

**NOTE 2 - DEPOSITS AND INVESTMENTS****Deposits**

At December 31, 2012, the Commission has cash (book balances) totaling \$5,429,320 as follows:

Demand deposits	\$ 5,428,320
Petty cash	<u>1,000</u>
	<u>\$ 5,429,320</u>

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. The Commission's deposit policy for custodial credit risk conforms to state law, as described in Note 1 to the financial statements. At December 31, 2012, the Commission's total demand deposit bank balance of \$5,512,515 was entirely secured by federal deposit insurance or pledged securities held by the Commission's agent in the Commission's name.

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**Exhibit D  
(Continued)**Investments**

As of December 31, 2012, investments of the Commission consisted of the following:

	Fair Market Value	Cost
Obligations of federally sponsored entities	\$ 9,284,845	\$ 9,268,393
Government money market fund	739,549	739,549
Louisiana Asset Management Pool	248,562	248,562
Stock	3,355	3,355
	<u>\$ 10,276,311</u>	<u>\$ 10,259,859</u>

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the Commission will not be able to recover the value of its investment. The Commission is not exposed to custodial credit risk since the investments are held in the name of the Commission or held by the Commission. The Commission's investment policy conforms to state law, as described in Note 1, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. The following presents investments that represent five percent or more of the Commission's total investments.

Description	CUSIP	Market Value
Federal National Mortgage Association	31398AME9	\$ 1,432,858
Federal Farm Credit Bank	31331VGU6	1,128,670
Federal National Mortgage Association	3133XXP43	1,077,803
Federal Farm Credit Bank	31331GCS6	967,527
Federal National Mortgage Association	31398AXJ6	860,877
Federal National Mortgage Association	3133XWNB1	758,822
Federal Home Loan Mortgage	3128X23A1	631,452
Federal Home Loan Bank	3133XXP43	515,180
		<u>\$ 7,373,189</u>

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The Commission's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**Exhibit D  
(Continued)**Investments (continued)**

As of December 31, 2012, the Commission had the following investment in debt securities:

Investment Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 - 5
Obligations of federally sponsored entities	\$ 9,284,845	\$ 2,943,035	\$ 6,341,810
Government money market fund	739,549	739,549	-
Louisiana Asset Management Pool	248,202	248,202	-
	<u>\$ 10,272,596</u>	<u>\$ 3,930,786</u>	<u>\$ 6,341,810</u>

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. At December 31, 2012, the Commission invested in obligations of federally sponsored entities in the amount of \$9,284,845, which are not rated. The Commission's investment in Hancock Horizon Government Money Market Fund is rated AAAm by Standard and Poors. The investment in Louisiana Asset Management Pool (LAMP) is rated AAAm by Standard and Poors. The type of investment allowed by the state law ensures that the Commission is not exposed to credit risk.

The investment in LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA R.S. 33:2955. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchange Commission as an investment company.

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**Exhibit D  
(Continued)**Investments (continued)**

A separate financial report for the Louisiana Asset Management Pool is prepared by the Louisiana Legislative Auditor in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from LAMP's website at [www.lamppool.com](http://www.lamppool.com).

At December 31, 2012, the Commission owned 4,474 shares of stock of Ormet Primary Aluminum Corporation. The stock was received in 2008 and 2010 as a result of bankruptcy court proceedings related to a prior contract receivable from a lease termination agreement with Ormet Primary Aluminum Corporation dated May 3, 1999. In 2005 and 2006, the Commission received a partial settlement of the receivable and wrote off the remainder which was deemed uncollectible due to the bankruptcy. At December 31, 2012, the stock was valued at \$3,355.

**NOTE 3 - RESTRICTED ASSETS**

At December 31, 2012, assets restricted for debt service consist of the following:

Investments	\$ 739,549
Accrued interest	<u>198</u>
	<u>\$ 739,747</u>

The mortgage indentures associated with the outstanding loans require certain amounts to be transferred at certain intervals and carried in restricted asset accounts. At December 31, 2012, the net balance of these accounts was sufficient to meet all requirements.

**NOTE 4 - RETIREMENT SYSTEM**

Substantially all employees of the Commission are members of the Louisiana State Employees Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) at age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

**NOTE 4 - RETIREMENT SYSTEM (CONTINUED)**Exhibit D  
(Continued)

Members hired before July 1, 2006 are required by state statute to contribute 7.5% of gross salary and members hired July 1, 2006 or after are required by state statute to contribute 8.0% of gross salary. The Commission is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute 11:102. The contribution rate for the years ended December 31, 2012, 2011 and 2010, was 26%, 21.7%, and 22%, respectively, of annual covered payroll. The Commission's contribution to the System for the years ended December 31, 2012, 2011 and 2010 was \$348,004 and equal to the required contribution for the year.

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
<b>Capital assets not being depreciated:</b>				
Land	\$ 8,108,557	\$ 3,094,183	\$ -	\$ 11,202,740
Construction in progress	10,265,547	4,314,641	4,096,824	10,483,364
Total capital assets not being depreciated	18,374,104	7,408,824	4,096,824	21,686,104
<b>Capital assets being depreciated</b>				
Railroad tracks and yards	4,334,601	-	-	4,334,601
Roadways and surface drainage	10,650,803	-	-	10,650,803
Buildings and structures	78,950,099	4,347,841	-	83,297,940
Equipment	7,927,014	345,087	-	8,272,101
Office furniture and fixtures	812,671	22,023	-	834,694
Transportation equipment	383,688	31,904	-	415,592
Total capital assets being depreciated	103,058,876	4,746,855	-	107,805,731
Less accumulated depreciation for:				
Railroad tracks and yards	2,745,456	61,945	-	2,807,401
Roadways and surface drainage	4,381,253	348,971	-	4,730,224
Buildings and structures	51,203,801	1,809,554	-	53,013,355
Equipment	4,779,083	527,951	-	5,307,034
Office furniture and fixtures	623,202	35,998	-	659,200
Transportation equipment	326,972	33,892	-	360,864
Total accumulated depreciation	64,059,767	2,818,311	-	66,878,078
Capital assets being depreciated, net	38,999,109	1,928,544	-	40,927,653
Net capital assets	\$ 57,373,213	\$ 9,337,368	\$ 4,096,824	\$ 62,613,757

Depreciation expense for the year ended December 31, 2012 was \$2,818,311.

**NOTE 6 - LONG-TERM DEBT****Exhibit D**  
(Continued)**Revenue Bonds**

The Commission is authorized by the State of Louisiana to have outstanding indebtedness up to \$100,000,000 evidenced by negotiable bonds or notes.

On March 1, 1999, the Commission entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority). Under the agreement, the Authority issued \$5,700,000 Series 1999A Revenue and Refunding Bonds and \$3,300,000 Series 1999B Revenue Bonds and loaned the proceeds to the Commission. From the proceeds of the loan, the Commission was required to fund a reserve fund to receive the bond proceeds and make loan payments, and a construction fund to receive bond proceeds and make payments on private activity and governmental projects for which the bond proceeds were lent.

The Bonds were issued for the purpose of 1) with respect to the proceeds of the Series 1999A Bonds, currently refunding certain prior bonds and paying the costs of certain private activity projects, 2) with respect to the proceeds of the Series 1999B Bonds, paying the costs of certain governmental projects, and 3) paying the costs of issuance of the bonds.

Under the loan agreement, the Commission is required to repay the loan by making the debt service payments, including principal, interest, and reserve requirements for the Authority's two bond issues. At December 31, 2012, the outstanding indebtedness consisted of the following:

Bond Series	Maturing	Call Prices (%)	Interest Rate	Payable at 1/1/12	Additions	Reductions	Payable at 12/31/12
1999A	2019	100-102	8% - 5.5%	\$ 3,020,000	\$ -	\$ 310,000	\$ 2,710,000
1999B	2019	100-102	8% - 5.25%	1,750,000	-	180,000	1,570,000
Unamortized premium on bonds payable				64,159	-	8,850	55,309
				<u>\$ 4,834,159</u>	<u>\$ -</u>	<u>\$ 498,850</u>	4,335,309
Less: Amounts due within one year payable from restricted assets							(520,000)
Amounts due after one year							<u>\$ 3,815,309</u>

(continued)

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**Exhibit D  
(Continued)**Debt Service Requirements to Maturity**

The annual requirements to amortize debt outstanding at December 31, 2012, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 520,000	\$ 216,619	\$ 736,619
2014	545,000	188,440	733,440
2015	575,000	158,325	733,325
2016	610,000	126,282	736,282
2017	640,000	92,482	732,482
2018-2019	1,390,000	75,988	1,465,988
	<u>\$ 4,280,000</u>	<u>\$ 858,136</u>	<u>\$ 5,138,136</u>

**NOTE 7 - NET POSITION****Net investment in capital assets**

The change in amounts invested in capital assets, net of related debt is summarized as follows:

Beginning balance	\$ 52,539,054
Change in capital assets	5,240,544
Change in related debt	<u>498,850</u>
Ending balance	<u>\$ 58,278,448</u>

**Restricted net assets**

Restricted net assets relate to debt service. The requirements for debt service at December 31, 2012 were computed as follows:

Assets restricted for loan repayment	\$ 739,747
Current liabilities payable from restricted assets	<u>(645,225)</u>
Ending balance	<u>\$ 94,522</u>

**NOTE 8 - LEASES**

Various facilities, terminals and other properties of the Commission have been leased to tenants for various terms. The lessees bear substantially all ordinary operating and maintenance expenses of the leased properties and have the option of renewing the leases at the end of the original term.

**NOTE 8 - LEASES (CONTINUED)**Exhibit D  
(Continued)

The carrying values and depreciation expense of the properties leased under long-term leases by the Commission are as follows as of December 31, 2012:

Railroad tracks and yards	\$ 562,680
Roadways and surface drainage	4,908,723
Buildings and structures	40,007,264
Equipment	<u>2,308,409</u>
	47,787,076
Less: accumulated depreciation	<u>(34,167,671)</u>
Net leased property	<u>\$ 13,619,405</u>

Depreciation expense for the year ended December 31, 2012 was \$1,079,979.

The following is a schedule by years of future minimum rental payments receivable on non-cancelable long-term leases as of December 31, 2012:

Year	Future Rental Revenues
2013	\$ 2,415,245
2014	2,231,936
2015	2,192,950
2016	2,107,245
2017	3,386,452
There after	<u>17,298,828</u>
	<u>\$ 29,632,656</u>

For the purpose of these statements, the lease amount as set forth in the original lease agreement or set by the most recent appraisal was used in the determination of the minimum future rentals on long-term leases and thus is subject to change.

**NOTE 9 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS****Plan Description**

The Commission's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan (for fiscal year 2008) that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The State administers the plan through the Office of Group Benefits. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap).

**NOTE 9 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
(CONTINUED)**Exhibit D  
(Continued)**Funding Policy**

The contribution requirements of plan members and the Commission are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The Office of Group Benefits (OGB) offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Consumer Driven Health Plan (CDHP) and the Health Maintenance Organization (HMO) Plan. Retired employees who have Medicare Part A and Part B coverage also have access to four OGB Medicare Advantage plans which includes three HMO plans and one PPO plan. Depending upon the plan selected, during the year ended December 31, 2012, employee premiums for a single member receiving benefits range from \$36 to \$87 per month for retiree-only coverage with Medicare or from \$136 to \$144 per month for retiree-only coverage without Medicare. The premiums for a retiree and spouse for the year ended December 31, 2012 range from \$70 to \$157 per month for those with Medicare or from \$442 to \$468 per month for those without Medicare.

The plan is currently financed on a pay as you go basis, with the Commission contributing anywhere from \$115 to \$262 per month for retiree-only coverage with Medicare or from \$880 to \$928 per month for retiree-only coverage without Medicare during the year ended December 31, 2012. Also, the Commission's contributions range from \$231 to \$470 per month for retiree and spouse with Medicare or \$1,352 to \$1,425 for retiree and spouse without Medicare.

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays one half of the premium. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with AD&D coverage ceasing at age 70 for retirees.

**Annual OPEB Cost**

The Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the Plan's fiscal years beginning July 1, 2011, 2010 and 2009 was \$381,600, \$510,600 and \$555,000, respectively.

**NOTE 9 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**  
**(CONTINUED)**Exhibit D  
(Continued)

The following table presents the Commission's OPEB Obligation for the year ended December 31, 2012, the amount actually contributed to the plan, and changes in the Plan's net OPEB obligation:

Annual required contribution (ARC)	\$ 381,600
Interest on net OPEB obligation	72,200
ARC adjustment	<u>(69,000)</u>
Annual OPEB cost	384,800
Claims costs	<u>(176,882)</u>
Increase in net OPEB obligation	207,918
Beginning net OPEB obligation	<u>2,116,356</u>
Ending net OPEB obligation	<u>\$ 2,324,274</u>

Utilizing the pay-as-you-go method, the Commission contributed 45%, 39% and 25% of the annual post-employment benefits cost during the years ended December 31, 2012, 2011 and 2010, respectively.

**Trend Information**

The Commission's net OPEB obligation, annual OPEB cost, and the percentage of annual OPEB cost contributed to the plan for the year ended December 31, 2012, and the two preceding years were as follows:

<u>Year ended</u> <u>December 31,</u>	<u>Annual OPEB</u> <u>cost</u>	<u>Percentage of</u> <u>annual net OPEB</u> <u>cost contributed</u>	<u>Net OPEB</u> <u>obligation</u>
2012	\$ 384,800	45%	\$ 2,324,274
2011	\$ 513,100	39%	\$ 2,116,356
2010	\$ 587,445	25%	\$ 1,805,156

**Funded Status and Funding Progress**

The Commission, through the Office of Group Benefits, has established a postemployment benefits plan trust. The Office of Group Benefits has not funded the trust. It has no assets and has a funded ratio of zero. As of July 1, 2011, the most recent actuarial valuation, the actuarial accrued liability (AAL) of \$5,812,300 at December 31, 2012 is unfunded. Exhibit E-1 is the Schedule of Funding Progress, which presents information about the actuarial value of plan assets and the AAL for benefits.

**NOTE 9 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
(CONTINUED)**Exhibit D  
(Continued)

The funded status of the plan as of the most recent valuation date of July 1, 2011 is as follows:

Actuarial accrued liability (AAL)	\$ 5,812,300
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 5,812,300</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (annual payroll of active employees covered by the plan)	<u>\$ 1,330,276</u>
UAAL as a percentage of covered payroll	<u>437%</u>

**Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2011, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 7.5% and 8.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as level percentage of payroll on an open basis. The remaining amortization period at June 30, 2012 was thirty years.

**NOTE 10 - RISK MANAGEMENT AND CONTINGENT LIABILITIES**Exhibit D  
(Continued)

The Commission is exposed to various risks of losses related to general liability; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; employee health and accident; and natural disasters. The Commission is a party to various legal proceedings incidental to its business. Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the Commission. In the opinion of management, all such matters are adequately covered by commercial insurance purchased by the Commission, or if not so covered, are not expected to have a material effect on the financial statements of the Commission. Settlement amounts have not exceeded insurance coverage for the current period or the three prior years.

At December 31, 2012, the Commission is a codefendant in three lawsuits involving asbestos exposure while the plaintiffs were employed by others on Commission property. In the opinion of the Commission's attorney, it is reasonably possible that there may be an unfavorable outcome to the Commission. In the event that the Commission is found liable and damages are imposed, the liability to the Commission in excess of insurance is estimated to be \$400,000. Management intends to vigorously defend these matters.

Subsequent to December 31, 2012, the Commission settled with one of the plaintiffs for \$200,000. The settlement has been recognized in accrued expenses on the financial statements.

**NOTE 11 - DEFERRED COMPENSATION PLAN**

Certain employees of the Commission participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to the State of Louisiana Public Employees Deferred Compensation Plan are included in the financial statements of the State of Louisiana. Effective November 1, 2000, the Commission may make a discretionary matching contribution up to 5% of the employees' base pay not to exceed \$4,000 per calendar year. The Commission's contribution for the year ended December 31, 2012 was \$40,994.

**NOTE 12 - CONSTRUCTION IN PROGRESS**

Details of construction in progress at December 31, 2012 is as follows:

Grain Dock Rehabilitation project (1)	\$ 4,071,210
Boat Launch (2)	1,794,443
Grain Elevator Upgrades	1,640,375
TS1 Reroof project	1,547,698
IRMT project	1,201,083
Other project	<u>228,555</u>
Total	<u>\$ 10,483,364</u>

**NOTE 12 - CONSTRUCTION IN PROGRESS (CONTINUED)**

Exhibit D  
(Continued)

Ninety percent of the cost of this project is funded by the Louisiana Department of Transportation and Development. The remaining ten percent is the responsibility of the Commission.

Seventy-five percent of the costs of these projects are funded by grants received from the U.S. Department of Homeland Security and twenty five percent is funded by State Port Commission Security Grants.

**NOTE 13 - ENVIRONMENTAL REMEDIATION LIABILITY**

The presence of chlorinated hydrocarbons near the Commission's property was first discovered during testing performed in connection with a neighboring property owner's own environmental remediation issues. Rollins Environmental Services, Inc. (REN) conducted additional testing to identify the source and extent of chlorinated organic compounds. The preliminary site assessment revealed the presence of chlorinated hydrocarbons in the area of the barge terminal on the Commission's property. A plausible explanation of the presence of these chemicals is the vertical migration resulting from surface spillage caused by the transfer or piping of such materials during prior storage or shipment on the premises. An independent remediation contractor developed a remediation plan based on estimated annual expenses ranging from \$35,000 to \$40,000 for a period of 12 to 14 years. The remediation plan was proposed to and approved by the Louisiana Department of Environmental Quality. The resulting estimated potential liability of \$500,000 is being shared equally by the Commission and two other potentially responsible parties. This liability could change due to price increases, changes in technology, or other factors. The Commission paid \$30,000 in 2012 on this cost. The liability balance as of December 31, 2012 is \$50,048.

**NOTE 14 - OTHER COMMITMENTS**

At December 31, 2012, the Port Commission had commitments outstanding, in the form of contracts relating to construction projects, of approximately \$1,532,172.

**NOTE 15 - USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the report amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ.

**NOTE 16 - SUBSEQUENT EVENTS**Exhibit D  
(Continued)

The Commission evaluated its December 31, 2012 financial statements for subsequent events through the date of the independent accountants' compilation report, the date of which the financial statements were available to be issued. The Commission is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**NOTE 17 - CAPITAL CONTRIBUTIONS**

The Commission received capital contributions from federal and state sources for the year ended December 31, 2012 in the amount of \$2,461,976. The following is the breakdown of the source of these contributions for the year ended December 31, 2012:

State grants	\$ 2,266,696
Federal grants	<u>195,280</u>
Total	<u>\$ 2,461,976</u>

The state grants received during 2012 were for construction, Port security, and the remaining State match of 25% related to above noted federal grant.

**SUPPLEMENTAL INFORMATION**



## GREATER BATON ROUGE PORT COMMISSION

Exhibit E-1

## Required Supplemental Information Schedule

December 31, 2012

Schedule of Funding Progress for OPEB Plan

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Project Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2011	-	\$ 5,812,300	\$ (5,812,300)	0%	\$ 1,330,276	437%
July 1, 2010	-	\$ 7,664,300	\$ (7,664,300)	0%	\$ 1,437,000	533%
July 1, 2009	-	\$ 8,561,700	\$ (8,561,700)	0%	\$ 1,403,600	610%
July 1, 2008	-	\$ 11,134,900	\$ (11,134,900)	0%	\$ 1,291,200	862%

**GREATER BATON ROUGE PORT COMMISSION****Other Supplemental Information Schedules****December 31, 2012****Schedule of Lease Information**

The schedule of lease information provides information regarding property and facilities currently being leased by the Port Commission to various lessees.

**Schedule of Future Lease Rent Revenue Without Options**

The schedule of future lease rent revenue indicates the estimated revenues to be received from the leases currently in effect.

**Schedule of Operating Expenses by Major Category**

The schedule of operating expenses by major category groups details expenses by major expense category.

**Schedule of Administrative Expenses**

The schedule of administrative expenses details the administrative expenses by major type.

**Summary Schedule of Operating Income (Loss) by Facility**

The summary schedule of operating income (loss) by facility details the operating revenues, operating expenses, and depreciation expense by the various port facilities.

**Schedule of Commissioners' Per Diem**

The schedule of per diem paid board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 34:1221 and are included in personal services expenses. Board members are paid \$75 per day, to a maximum of 24 days per year, for board meetings and official business. During the period of an emergency, as declared and determined by the governor, the Port Commission shall be authorized to hold as many meetings or emergency activities as the board deems necessary and the members shall be paid per diem for such meetings or activities.

## GREATER BATON ROUGE PORT COMMISSION

Exhibit E-2

## Schedule of Lease Information

December 31, 2012

Lessee	Facility	Minimum Annual Rent for 2013	Current Lease Date of Expiration
Agway Systems	Five Tracts of Land	\$ 42,917	December 31, 2018
Cargill/Seaboard (Flour Mill)	Tract of Land	106,000	March 31, 2022
Community Coffee	Building & Land	70,306	April 30, 2014
Criterion Catalysts	Warehouse	22,917	Month-to-month
Criterion Catalysts	Rail Track Rental	24,000	December 31, 2017
Dow Chemical	Container Yard	200,000	May 31, 2021
ExxonMobil - Paxon	Railroad Servitude	1,200	Year-to-year
Kateon Natie of Louisiana	Warehouse	128,192	September 30, 2020
Kateon Natie of Louisiana	Warehouse	17,487	Month-to-month
Kinder Morgan Bulk Terminal	Barge Terminal	196,515	December 31, 2016
LogiBio Louisiana LLC	Rail Track Rental	18,000	December 31, 2014
Louis Dreyfus Commodities	Facility	1,000,000	June 15, 2031
Louisiana Sugar Products	Tract of Land	32,967	September 30, 2016
Lowe Transportation	Facility	400	Month-to-month
Mammoet USA, Inc.	Facility	4,500	Month-to-month
Petroleum Fuel & Terminal	Tract of Land	188,500	January 31, 2020
Ports America	Tract of Land	5,000	Month-to-month
Rail Link, Inc.	Office Space	1,000	Month-to-month
South Louisiana Cement, Inc.	Tract of Land	44,740	December 31, 2015
Stone Oil Distributor	Tract of Land	78,000	October 31, 2013
West Baton Rouge Parish Communications District	Building	18,000	December 31, 2032
West Baton Rouge Parish Waterworks District #2	Tract of Land	3,600	April 30, 2050
Westway Feed Products	Building	36,000	December 31, 2015
Westway Terminal Company	Tract of Land	166,886	December 31, 2026
Others	Various	8,120	Varies
Total		<u>\$ 2,415,247</u>	

## GREATER BATON ROUGE PORT COMMISSION

Schedule of Future Lease Rent Revenue Without Options  
December 31, 2012

	2013	2014	2015
Agway Systems	\$ 42,917	\$ 45,000	\$ 45,000
Cargill/Seaboard (Flour Mill)	106,000	106,000	106,000
Community Coffee	70,306	23,435	-
Criterion Catalysts	22,917	-	-
Criterion Catalysts	24,000	24,000	24,000
Dow Chemical	200,000	200,000	202,450
ExxonMobil - Paxon	1,200	-	-
Kateon Natie of Louisiana	128,192	128,192	128,192
Kateon Natie of Louisiana	17,487	-	-
Kinder Morgan Bulk Terminal	196,515	196,515	196,515
LogiBio Louisiana LLC	18,000	18,000	-
Louis Dreyfus Commodities	1,000,000	1,000,000	1,000,000
Louisiana Sugar Products	32,967	32,967	32,967
Low Transportation	400	-	-
Mammoet USA, Inc.	4,500	-	-
Petroleum Fuel & Terminal	188,500	188,500	188,500
Ports America	5,000	-	-
Rail Link, Inc.	1,000	-	-
South Louisiana Cement, Inc.	44,740	44,740	44,740
Stone Oil Distributor	78,000	-	-
West Baton Rouge Parish Communications District	18,000	18,000	18,000
West Baton Rouge Parish Waterworks District #2	3,600	3,600	3,600
Westway Feed Products	36,000	36,000	36,000
Westway Terminal Company	166,886	166,886	166,886
Others	8,120	100	100
	<u>\$ 2,415,247</u>	<u>\$ 2,231,935</u>	<u>\$ 2,192,950</u>

Exhibit E-3  
(Continued)

2016	2017	Later	Options End
\$ 45,000	\$ 45,000	\$ 45,000	December 31, 2018
106,000	106,000	450,500	March 31, 2022
-	-	-	April 30, 2014
-	-	-	Month-to-month
24,000	24,000	-	December 31, 2017
204,200	204,200	710,283	May 31, 2021
-	-	-	Year-to-year
128,192	128,192	352,529	September 30, 2020
-	-	-	Month-to-month
196,515	-	-	December 31, 2016
-	-	-	December 31, 2014
1,000,000	1,000,000	13,458,333	June 15, 2031
26,252	-	-	September 30, 2016
-	-	-	Month-to-month
-	-	-	Month-to-month
188,500	188,500	392,708	January 31, 2020
-	-	-	Month-to-month
-	-	-	Month-to-month
-	-	-	December 31, 2015
-	-	-	October 31, 2013
18,000	18,000	270,000	December 31, 2032
3,600	3,600	116,400	April 30, 2050
-	-	-	December 31, 2015
166,886	166,886	1,501,974	December 31, 2026
100	100	1,100	Varies
<u>\$ 2,107,245</u>	<u>\$ 1,884,478</u>	<u>\$ 17,298,827</u>	

## GREATER BATON ROUGE PORT COMMISSION

Exhibit E-4Schedule of Operating Expenses by Major Category  
December 31, 2012

<u>Major Category</u>	
Personnel Services	\$ 2,099,112
Depreciation	2,818,311
Operating Services	1,837,979
Supplies	278,066
Professional Fees	178,230
Travel	31,115
Other	<u>135,651</u>
Total	<u>\$ 7,586,382</u>

## GREATER BATON ROUGE PORT COMMISSION

Exhibit E-5

Schedule of Administrative Expenses  
December 31, 2012

Salaries and Wages	\$ 673,019
Contributions to State Retirement System, Payroll Taxes, and Group Insurance	601,300
Director's Salary	166,838
Annual, Sick and Compensatory Leave	96,847
Commissioner's Per Diem	21,150
Advertising	148,760
Office Repairs and Maintenance	90,963
Legal	63,897
Legislative Consultant Fees	39,950
Engineering	27,198
Auditing	19,000
Consulting Fees	3,125
Trade and Sales Solicitation	40,510
Insurance	36,563
Travel	31,115
Dues and Subscriptions	22,982
Office Supplies and Postage	21,396
Outside Administrative Services	17,447
Education Expenses	15,977
Utilities	14,721
Telephone	4,520
Miscellaneous	70,968
Total administrative expenses	<u>\$ 2,228,246</u>

## GREATER BATON ROUGE PORT COMMISSION

Schedule of Operating Income (Loss) by Facility  
December 31, 2012

	<u>Operating Revenue</u>
Grain Elevator	\$ 1,204,200
General Cargo Docks	922,278
Baton Rouge Barge Terminal	398,852
Molasses Tank Farm	365,063
West Bank railroad Facility	211,328
Petroleum Terminal	492,637
Midstream Bulk Handling Facility	21,239
Miscellaneous River Activities	588,775
Miscellaneous East and West Bank Activities	1,927,179
Inland Rivers Marine Terminal	625,125
Foreign Trade Zone	<u>35,000</u>
Total before administrative expense	6,791,676
Administrative expense	<u>14,118</u>
Total	<u>\$ 6,805,794</u>

Exhibit E-6  
(Continued)

<u>Operating Expense</u>	<u>Depreciation</u>	<u>Operating Income (Loss)</u>
\$ 58,988	\$ 115,768	\$ 1,029,444
326,960	1,114,748	(519,430)
6,806	4,907	387,139
55,456	112,341	197,266
236,169	21,783	(46,624)
57,446	-	435,191
-	-	21,239
-	-	588,775
1,494,222	981,283	(548,326)
174,619	381,788	68,718
400	-	34,600
2,411,066	2,732,618	1,647,992
2,357,005	85,693	(2,428,580)
<u>\$ 4,768,071</u>	<u>\$ 2,818,311</u>	<u>\$ (780,588)</u>

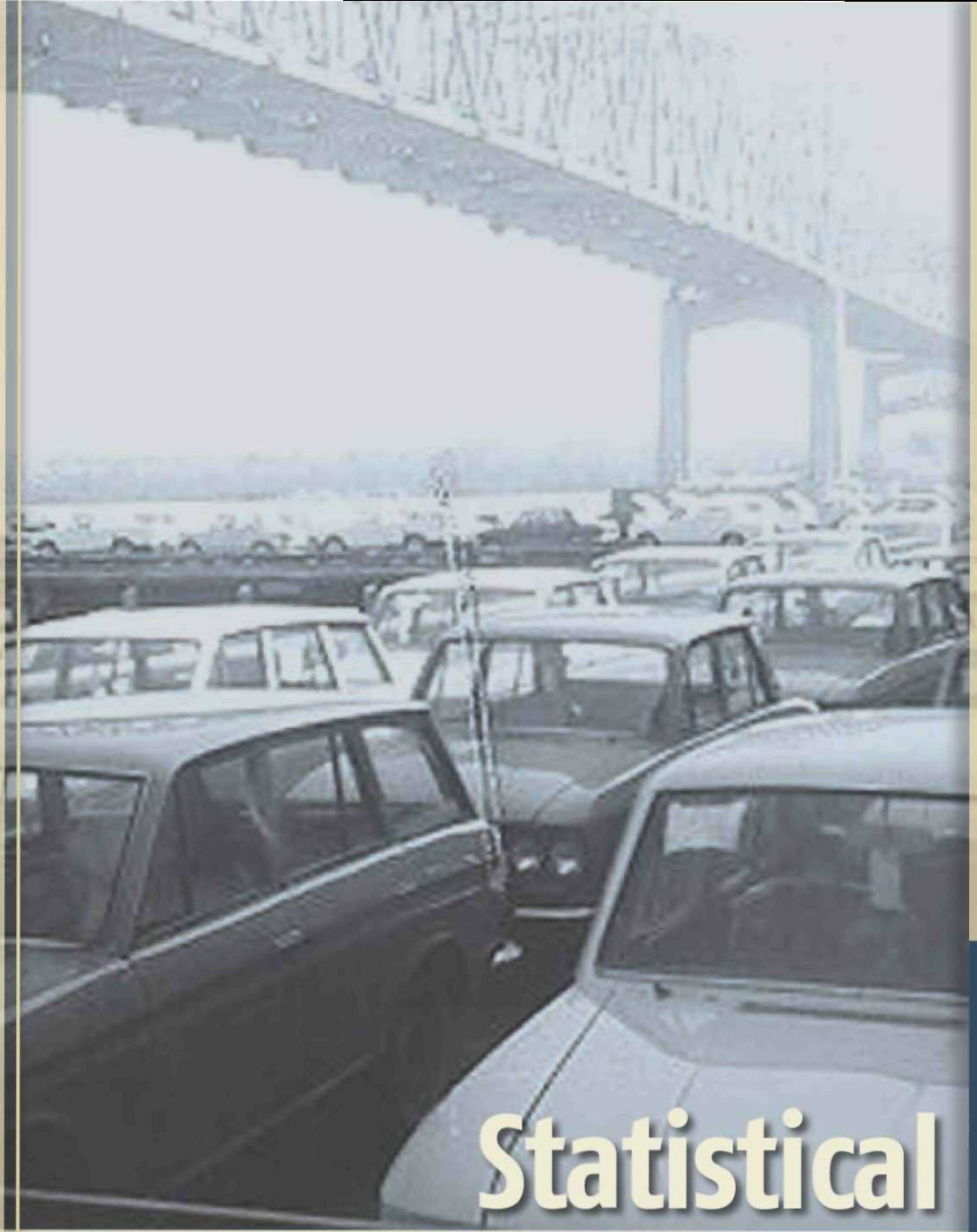
## GREATER BATON ROUGE PORT COMMISSION

Exhibit E-7

Schedule of Commissioners' Per Diem  
December 31, 2012

<u>Commissioner</u>	<u>Number of Days for Which Paid</u>	<u>Amount Paid</u>
Donald Bohach	14	\$ 1,050
Randy Brian	22	1,650
Alvin Dragg	11	825
Timothy Hardy	20	1,500
Brenda Hurst	24	1,800
Larry Johnson	2	150
Jerald Juneau	24	1,800
Raymond Loupe	19	1,425
Angela Machen	22	1,650
Roy Pickern	18	1,350
Randy Poche	23	1,725
Corey Sarullo	20	1,500
Clint Seneca	23	1,725
Blaine Sheets	16	1,200
John Tilton	24	1,800
Total		<u>\$ 21,150</u>


*From a period  
of 1967 to 1970  
Honda automobiles  
were imported  
at the Port of  
Greater Baton Rouge  
destined for the  
G.N. Gonzales  
car dealership  
in Baton Rouge,  
Louisiana.*



# Statistical

Statistical

[www.portgbr.com](http://www.portgbr.com)

 **PORT OF GREATER  
BATON ROUGE**

**60  
YEARS**  
1952 - 2012

STATISTICAL REPORT  
GREATER BATON ROUGE  
PORT COMMISSION  
(STATE OF LOUISIANA)  
AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2012

Submitted by:  
Department of Finance & Administration



**GREATER BATON ROUGE PORT COMMISSION  
STATE OF LOUISIANA**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2012**

**SUMMARY OF  
STATISTICAL SECTION**

This part of the Greater Baton Rouge Port Commission comprehensive financial report presents detailed information which provides further clarification to the information contained in the financial statements, note disclosures, and all required supplementary information. The information contained in this section includes important indicators about the Greater Baton Rouge Port Commission's overall financial well being. Reports in this section have been prepared according to GASB 44 guidelines.

**Contents**

**Financial Trends Information:**

The following schedules contain trend information to help the reader understand how the financial performance and condition of the Greater Baton Rouge Port Commission has changed over the past ten years.

- 1) Ten Year Comparative Schedule of Net Position
- 2) Ten Year Comparative Schedule of Revenues, Expenses, and Changes in Net Position

**Revenue Capacity Information:**

The following schedules contain information to help the reader assess the most significant sources of revenue of the Greater Baton Rouge Port Commission.

- 1) Ten Year Comparative Schedule of Revenue by Type and Related Average
- 2) Ten Year Comparative Schedule of Revenue Rates

**Debt Capacity Information:**

The following schedule contains information to help the reader assess the capability of the Greater Baton Rouge Port Commission to meet its current level of debt services and its ability to issue debt in the future.

- 1) Ten Year Comparative Schedule of Note Indebtedness

**Demographics and Economic Information:**

The following schedules contain information to help the reader understand demographic and economic indicators related to the financial activities of the Greater Baton Rouge Port Commission in its current environment.

- 1) Top Employers by Parishes within Port Jurisdiction
- 2) Population by Four Parishes within Port Jurisdiction

**Operating Information:**

The following schedules contain information directly related to the operating indicators and the number of government personnel employed by the Greater Baton Rouge Port Commission.

- 1) Ten Year Comparative of Port Staffing by Department
- 2) Ten Year Tonnage Comparison



## GREATER BATON ROUGE PORT COMMISSION

Exhibit F-1

**NET ASSETS**  
**LAST TEN FISCAL YEARS**

(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR			
	2012	2011	2010	2009
Net position				
Invested in capital assets, net of related debt	\$ 58,278	\$ 52,530	\$ 48,749	\$ 47,206
Restricted	95	116	181	199
Unrestricted	12,143	16,378	15,762	16,429
Total Net Assets	<u>\$ 70,516</u>	<u>\$ 69,024</u>	<u>\$ 64,692</u>	<u>\$ 63,834</u>

Exhibit F-1  
(Continued)

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
\$ 47,428	\$ 46,242	\$ 45,978	\$ 46,672	\$ 46,973	\$ 47,273
213	313	287	273	1,290	3,588
17,262	18,294	15,974	14,962	13,758	11,887
<u>\$ 64,903</u>	<u>\$ 64,849</u>	<u>\$ 62,239</u>	<u>\$ 61,907</u>	<u>\$ 62,021</u>	<u>\$ 62,748</u>

## GREATER BATON ROUGE PORT COMMISSION

Exhibit F-2

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR			
	2002	2011	2010	2009
<b>Operating Revenues</b>				
Dockage and wharfage	\$ 1,406	\$ 1,716	\$ 2,168	\$ 1,504
Rentals	3,896	2,921	2,220	1,961
Freight handling	-	-	-	-
Storage	-	-	-	-
Other	1,503	1,254	1,326	1,521
Total operating revenues	6,805	5,891	5,714	4,986
<b>Operating Expenses</b>				
Direct	2,332	2,369	2,146	2,171
Administrative	2,228	2,101	2,241	2,021
Postemployment benefits	208	311	438	693
Depreciation	2,818	2,516	2,503	2,538
Total operating expenses	7,586	7,297	7,328	7,423
<b>Non-operating revenues (expenses)</b>				
Investment income	247	595	585	280
Interest expense	(234)	(260)	(283)	(306)
Gain of sale of capital assets	-	-	-	-
Insurance recoveries	5	9	19	153
Gain/(loss) from litigation	(200)	-	-	-
Intergovernmental revenues	-	-	-	2
Environmental remediation expense	-	-	-	-
Amortization of debt issue and bond premium, net	(7)	(7)	(7)	(7)
Trustee's fees	-	(5)	(15)	(4)
Total non-operating	(189)	332	299	118
<b>Net Income (loss)</b>	(970)	(1,074)	(1,315)	(2,319)

Exhibit F-2  
(Continued)

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
\$ 1,970	\$ 2,136	\$ 1,705	\$ 1,286	\$ 1,148	\$ 1,052
2,423	2,989	2,531	2,328	2,093	1,992
-	-	-	-	-	-
-	-	-	-	-	2
1,685	1,506	1,562	1,561	1,332	1,402
6,078	6,631	5,798	5,175	4,573	4,448
2,226	2,023	2,202	1,922	1,836	2,023
2,036	1,964	1,846	2,168	3,083	2,002
674	-	-	-	-	-
2,538	2,499	2,658	2,349	2,332	2,064
7,474	6,486	6,706	6,439	7,251	6,089
648	902	699	292	407	378
(331)	(356)	(380)	(403)	(425)	(447)
526	-	29	1	1	10
22	-	-	-	-	-
-	-	-	-	(80)	-
-	-	175	-	-	-
-	-	-	(167)	-	-
(7)	(7)	(7)	(7)	(7)	(12)
(4)	(4)	(4)	(4)	(4)	(4)
854	535	512	(288)	(108)	(75)
(542)	680	(396)	(1,552)	(2,786)	(1,716)

## GREATER BATON ROUGE PORT COMMISSION

Exhibit F-3

REVENUE BY TYPE AND RELATED AVERAGE  
LAST TEN FISCAL YEARS

(accrual basis of accounting)

	FISCAL YEAR			
	2012	2011	2010	2009
Dockage	\$ 464,226	\$ 851,327	\$ 1,208,253	\$ 914,708
Wharfage	942,221	864,941	960,157	588,825
Rentals	3,896,287	2,920,944	2,220,062	1,961,005
Other operating revenue	1,503,060	1,254,452	1,325,576	1,521,213
<b>Total operating revenue</b>	<b>\$ 6,805,794</b>	<b>\$ 5,891,664</b>	<b>\$ 5,714,048</b>	<b>\$ 4,985,751</b>
Cargo tonnage	2,330,980	2,972,452	3,848,207	3,272,024
Average wharfage revenue per cargo ton	\$ 0.40	\$ 0.29	\$ 0.25	\$ 0.18
Number of ships	51	58	59	64
Average dockage revenue per ship	\$ 9,102	\$ 14,678	\$ 20,479	\$ 14,292

Exhibit F-3  
(Continued)

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
\$ 1,088,312	\$ 1,164,277	\$ 1,145,320	\$ 745,507	\$ 609,944	\$ 554,541
881,474	971,608	559,182	540,682	537,610	497,402
2,422,887	2,989,287	2,530,810	2,327,843	2,093,115	1,992,268
1,685,450	1,505,752	1,561,518	1,561,408	1,332,373	1,404,457
<u>\$ 6,078,123</u>	<u>\$ 6,630,924</u>	<u>\$ 5,796,830</u>	<u>\$ 5,175,440</u>	<u>\$ 4,573,042</u>	<u>\$ 4,448,668</u>
4,776,290	4,840,869	3,539,841	5,521,304	6,603,422	5,801,944
<u>\$ 0.18</u>	<u>\$ 0.20</u>	<u>\$ 0.16</u>	<u>\$ 0.10</u>	<u>\$ 0.08</u>	<u>\$ 0.09</u>
58	84	46	62	37	50
<u>\$ 18,764</u>	<u>\$ 13,860</u>	<u>\$ 24,898</u>	<u>\$ 12,024</u>	<u>\$ 16,485</u>	<u>\$ 11,091</u>

## GREATER BATON ROUGE PORT COMMISSION

Exhibit F-4

REVENUE RATES  
LAST TEN FISCAL YEARS(accrual basis of accounting)  
(Unaudited)

		FISCAL YEAR					
		2012	2011	2010	2009	2008	2007
<b>Dockage Rates at General Cargo Docks (LOA)</b>							
<b>Ships &amp; Ocean Going Barges</b>							
First day, per ft							
0-199	\$ 2.46	\$ 2.32	\$ 2.32	\$ 2.06	\$ 2.06	\$ 2.06	
200-399	3.23	3.05	3.05	2.70	2.70	2.70	
400-499	4.40	4.15	4.15	3.68	3.68	3.68	
500-599	5.91	5.57	5.57	4.95	4.95	4.95	
600-699	6.85	6.47	6.47	5.75	5.75	5.75	
700-799	8.71	8.21	8.21	7.30	7.30	7.30	
800-899	10.50	9.89	9.89	8.79	8.79	8.79	
900 ft +	12.55	11.83	11.83	10.53	10.53	10.53	
Additional days, per ft, per day							
0-199	1.23	1.16	1.16	1.03	1.03	1.03	
200-399	1.62	1.53	1.53	1.35	1.35	1.35	
400-499	2.20	2.08	2.08	1.84	1.84	1.84	
500-599	2.96	2.79	2.79	2.48	2.48	2.48	
600-699	3.43	3.24	3.24	2.88	2.88	2.88	
700-799	4.36	4.11	4.11	3.65	3.65	3.65	
800-899	5.25	4.95	4.95	4.40	4.40	4.40	
900 ft +	6.28	5.92	5.92	5.27	5.27	5.27	
<b>Liquid Bulk Barges</b>							
First day, per ft							
0-199	0.90	0.75	0.75	0.75	0.75	0.75	
200-399	0.95	0.80	0.80	0.80	0.80	0.80	
400-449	1.20	1.05	1.05	1.05	1.05	1.05	
450-499	1.45	1.30	1.30	1.30	1.30	1.30	
Each day thereafter	25.00	15.00	15.00	15.00	15.00	15.00	
<b>Dockage Rates at Grain Elevator</b>							
Ships (per GRT, per day)	-	0.19	0.19	0.19	0.19	0.19	
Barges (per day)	-	45.00	45.00	45.00	45.00	45.00	

Exhibit F-4  
(Continued)

FISCAL YEAR			
2006	2005	2004	2003
\$ 2.06	\$ 1.94	\$ 1.94	\$ 1.91
2.70	2.55	2.55	2.50
3.68	3.48	3.48	3.41
4.95	4.67	4.67	4.58
5.75	5.43	5.43	5.33
7.30	6.89	6.89	6.96
8.79	8.30	8.30	8.14
10.53	9.93	9.93	9.74
1.03	0.97	0.97	0.78
1.35	1.27	1.27	0.93
1.84	1.74	1.74	1.30
2.48	2.33	2.33	1.84
2.88	2.71	2.71	2.54
3.65	3.44	3.44	3.57
4.40	4.15	4.15	4.65
5.27	4.96	4.96	5.41
0.75	0.75	0.75	0.75
0.80	0.80	0.80	0.80
1.05	1.05	1.05	1.05
1.30	1.30	1.30	1.30
15.00	15.00	15.00	15.00
0.19	0.19	0.19	0.19
45.00	45.00	45.00	45.00

## GREATER BATON ROUGE PORT COMMISSION

Exhibit F-4  
(Continued)REVENUE RATES  
LAST TEN FISCAL YEARS(accrual basis of accounting)  
(Unaudited)

	FISCAL YEAR			
	2012	2011	2010	2009
<b>Wharfage Rates (per ton)</b>				
All articles (not provided for below)	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Automobiles				
Each, set up	2.34	2.34	2.34	2.34
Each, knocked down	1.74	1.74	1.74	1.74
Bulk Commodities				
Bauxite	1.00	1.00	1.00	1.00
Fluorspar	0.90	0.90	0.90	0.90
Groats	0.90	0.90	0.90	0.90
Lead Concentrates	0.90	0.90	0.90	0.90
Logs	0.90	0.90	0.90	0.90
Zinc Residue	0.90	0.90	0.90	0.90
Bulk Liquids				
Liquid Fertilizers	0.45	0.45	0.45	0.45
Molasses	0.17	0.17	0.17	0.17
Other Bulk Liquid	0.75	0.75	0.75	0.75
Bundled Galvanized Pipe	-	-	-	-
Campers, each	3.25	3.25	3.25	3.25
Caustic Soda	0.50	0.50	0.50	0.50
Flitches	1.61	1.61	1.61	1.61
Freight Trailers, each	3.25	3.25	3.25	3.25
Heavy Lifts, in excess of 6,000 lbs	10.00	10.00	10.00	10.00
Iron, steel, or other metal				
Fabrications or structures	1.61	1.61	1.61	1.61
Coils, rails, bars, ingots, etc.	1.00	1.00	1.00	1.00
Limestone Blocks	1.61	1.61	1.61	1.61
Lumber	1.61	1.61	1.61	1.61
Motor Homes, each	3.25	3.25	3.25	3.25
Paper Products, in rolls (Linerboard, Newsprint, Bleachboard, Pulpboard)	1.47	1.47	1.47	1.47
Particle Board	1.61	1.61	1.61	1.61
Pipe, coated or uncoated				
1-20,000 short tons	1.40	1.40	1.40	1.40
Over 20,000 short tons	1.00	1.00	1.00	1.00
Plywood	1.61	1.61	1.61	1.61
Project Cargo	Quoted price	Quoted price	Quoted price	Quoted price
PVC Plastics	1.61	1.61	1.61	1.61
Silica Sand	1.61	1.61	1.61	1.61
Single Lifts, in excess of 50,000 lbs	Quoted price	Quoted price	Quoted price	Quoted price
Tractors, each	3.25	3.25	3.25	3.25
Woodpulp, baled or rolled	1.37	1.37	1.37	1.37

Exhibit F-4  
(Continued)

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
-	-	-	-	-	-
-	-	-	-	-	-
1.00	1.00	1.00	1.00	1.00	1.00
0.90	0.90	0.90	0.90	0.90	0.90
0.90	0.90	0.90	0.90	0.90	0.90
0.90	0.90	0.90	0.90	0.90	0.90
0.90	0.90	0.90	0.90	0.90	0.90
1.00	1.00	1.00	1.00	1.00	1.00
0.45	0.45	0.45	0.45	0.45	0.45
0.17	0.17	0.17	0.17	0.17	0.17
0.75	0.75	0.75	0.75	0.75	0.75
1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-
0.50	0.50	0.50	0.50	0.50	0.50
1.61	1.61	1.61	1.61	1.61	1.61
-	-	-	-	-	-
10.00	10.00	10.00	10.00	10.00	10.00
1.61	1.61	1.61	1.61	1.61	1.61
1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-
1.61	1.61	1.61	1.61	1.61	1.61
-	-	-	-	-	-
-	-	-	-	-	-
1.61	1.61	1.61	1.61	1.61	1.61
1.40	1.40	1.40	1.40	1.40	1.40
1.00	1.00	1.00	1.00	1.00	1.00
1.61	1.61	1.61	1.61	1.61	1.61
Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price
1.61	1.61	1.61	1.61	1.61	1.61
-	-	-	-	-	-
Quoted price	Quoted price	Quoted price	Quoted price	Quoted price	Quoted price
-	-	-	-	-	-
-	-	-	-	-	-

**GREATER BATON ROUGE PORT COMMISSION**Exhibit F-5**NOTE INDEBTEDNESS  
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

Fiscal Year End	1999A Revenue & Refunding Notes			
	Principal Paid	Interest Paid	Total Payment	Year End Balance
2012	\$ 310,000	\$ 156,183	\$ 466,183	\$ 2,710,000
2011	\$ 295,000	\$ 172,064	\$ 467,064	\$ 3,020,000
2010	\$ 280,000	\$ 187,088	\$ 467,088	\$ 3,315,000
2009	\$ 265,000	\$ 202,053	\$ 467,053	\$ 3,595,000
2008	\$ 250,000	\$ 217,863	\$ 467,863	\$ 3,860,000
2007	\$ 240,000	\$ 233,788	\$ 473,788	\$ 4,110,000
2006	\$ 225,000	\$ 249,013	\$ 474,013	\$ 4,350,000
2005	\$ 215,000	\$ 263,694	\$ 478,694	\$ 4,575,000
2004	\$ 205,000	\$ 270,285	\$ 475,285	\$ 4,790,000
2003	\$ 190,000	\$ 290,397	\$ 480,397	\$ 4,995,000

(1) Please refer to footnote 6 in the financial section for a detailed description of the notes and the usage of funding.

(2) Notes will mature in 2019

(3) Used total population of all four parishes within the Port's jurisdiction to calculate debt per capita.

Exhibit F-5  
(Continued)

1999B Revenue & Refunding Notes					
Principal Paid	Interest Paid	Total Payment	Year End Balance	Combined Balance	Per Capita
\$ 180,000	\$ 86,778	\$ 266,778	\$ 1,570,000	\$ 4,280,000	\$ 7
\$ 170,000	\$ 95,618	\$ 265,618	\$ 1,750,000	\$ 4,770,000	\$ 8
\$ 160,000	\$ 103,868	\$ 263,868	\$ 1,920,000	\$ 5,235,000	\$ 9
\$ 155,000	\$ 112,324	\$ 267,324	\$ 2,080,000	\$ 5,675,000	\$ 10
\$ 145,000	\$ 121,311	\$ 266,311	\$ 2,235,000	\$ 6,095,000	\$ 10
\$ 140,000	\$ 130,217	\$ 270,217	\$ 2,380,000	\$ 6,490,000	\$ 11
\$ 130,000	\$ 138,655	\$ 268,655	\$ 2,520,000	\$ 6,870,000	\$ 12
\$ 125,000	\$ 146,780	\$ 271,780	\$ 2,650,000	\$ 7,225,000	\$ 13
\$ 115,000	\$ 152,493	\$ 267,493	\$ 2,775,000	\$ 7,565,000	\$ 14
\$ 110,000	\$ 158,166	\$ 268,166	\$ 2,890,000	\$ 7,885,000	\$ 14

## GREATER BATON ROUGE PORT COMMISSION

PRINCIPAL EMPLOYERS BY PARISH WITHIN THE JURISDICTION  
CURRENT YEAR AND TEN YEARS AGO

Ascension Parish 2012		
Employer	Number of Employees	Percent of Total
Ascension Parish School District	2,467	35.95%
BASF, Corp.	1,250	18.22%
Wal-Mart	700	10.20%
Rubicon Inc.	650	9.47%
St. Elizabeth Hospital	645	9.40%
Shell Chemical Co.	500	7.29%
Honeywell	392	5.71%
CF Industries	258	3.76%
Total	6,862	

East Baton Rouge Parish 2012		
Employer	Number of Employees	Percent of Total
Turner Industries Group LLC	9,671	18.83%
East Baton Rouge Parish School District	6,190	12.05%
Louisiana State University System	5,600	10.90%
ExxonMobil Corporation	4,275	8.32%
The Shaw Group	4,243	8.26%
Our Lady of the Lake Regional Medical Center	4,009	7.80%
Performance Contractors	3,500	6.81%
Baton Rouge General Medical Center	3,000	5.84%
Ochsner Clinic Foundation	2,000	3.89%
Woman's Hospital	1,982	3.86%
Cajun Industries	1,800	3.50%
Southern University	1,800	3.50%
James Construction Group	1,700	3.31%
Blue Cross Blue Shield of Louisiana	1,600	3.11%
Total	51,370	

Source: Baton Rouge Area Chamber

(1) Data for 2003, or ten years ago was not available

## GREATER BATON ROUGE PORT COMMISSION

PRINCIPAL EMPLOYERS BY PARISH WITHIN THE JURISDICTION  
CURRENT YEAR AND TEN YEARS AGO

Iberville Parish 2012		
Employer	Number of Employees	Percent of Total
Dow Chemical	2,904	52.87%
Syngenta Crop Protection, Inc.	680	12.38%
Georgia Gulf	600	10.92%
TOTAL Petro. USA, Carville Styrenics	400	7.28%
Shintech	364	6.63%
Crown Enterprises Inc.	250	4.55%
Cora Texas Manufacturing Company	150	2.73%
SNF Flowpam	145	2.64%
Total	5,493	

West Baton Rouge Parish 2012		
Employer	Number of Employees	Percent of Total
Petrin Corporation	670	26.64%
Turner Industries Group Fab. Div.	565	22.47%
Trinity Materials Inc.	400	15.90%
Wal-Mart	300	11.93%
Placid Refining	200	7.95%
ExxonMobil Lubricants & Spec.	140	5.57%
Martin-Brower Co. LLC	138	5.49%
BP Lubricants	102	4.06%
Total	2,515	

Source: Baton Rouge Area Chamber

(1) Data for 2003, or ten years ago was not available

## GREATER BATON ROUGE PORT COMMISSION

POPULATION BY FOUR PARISHES WITHIN THE JURISDICTION  
OF THE GREATER BATON ROUGE PORT COMMISSION  
LAST TEN FISCAL YEARS

(Unaudited)

Year	Ascension Parish	East Baton Rouge Parish	Iberville Parish	West Baton Rouge Parish	Total
2012	112,286	444,526	33,228	24,106	614,146
2011	109,985	441,438	33,230	24,109	608,762
2010	107,215	440,171	33,387	23,788	604,561
2009	104,822	434,633	32,505	22,638	594,598
2008	102,461	431,024	32,899	22,629	589,013
2007	99,702	430,700	32,915	22,636	585,953
2006	95,986	430,886	32,885	22,181	581,938
2005	89,382	411,859	32,180	21,534	554,955
2004	86,085	412,772	32,332	21,730	552,919
2003	83,760	411,473	32,734	21,575	549,542

Source: U.S. Census Bureau

## GREATER BATON ROUGE PORT COMMISSION

**FULL-TIME EQUIVALENT EMPLOYEES  
BY DEPARTMENT  
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees Allotted in Annual Budget									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Executive	3	3	3	3	3	3	2	3	3	3
Finance & Administrative	3	4	5	5	5	7	7	7	7	7
Operations	-	-	-	-	-	-	1	1	1	2
Engineering & Security	14	16	17	16	17	18	17	18	20	20
Business Development	2	1	1	1	1	1	1	1	1	1
Public Affairs	1	1	1	1	1	1	1	1	1	1
Total employees	<u>23</u>	<u>25</u>	<u>27</u>	<u>26</u>	<u>27</u>	<u>30</u>	<u>29</u>	<u>31</u>	<u>33</u>	<u>34</u>

**GREATER BATON ROUGE PORT COMMISSION**Exhibit F-9**TONNAGE COMPARISON  
LAST TEN FISCAL YEARS**

(Unaudited)

	2012	2011	2010	2009
General Cargo Docks	171,839	223,039	256,978	36,366
Coke Handling Facility	531,875	823,025	772,829	422,527
Inland Rivers Marine Terminal	212,385	266,625	229,413	189,332
Midstream Buoys	46,855	-	-	-
Petroleum Terminal	1,101,552	1,289,332	1,896,890	1,737,768
Molasses Terminal	266,474	249,283	198,772	227,419
Grain Elevator	-	121,148	493,325	658,612
Burnside Terminal	-	-	-	-
Total	2,330,980	2,972,452	3,848,207	3,272,024

Exhibit F-9  
(Continued)

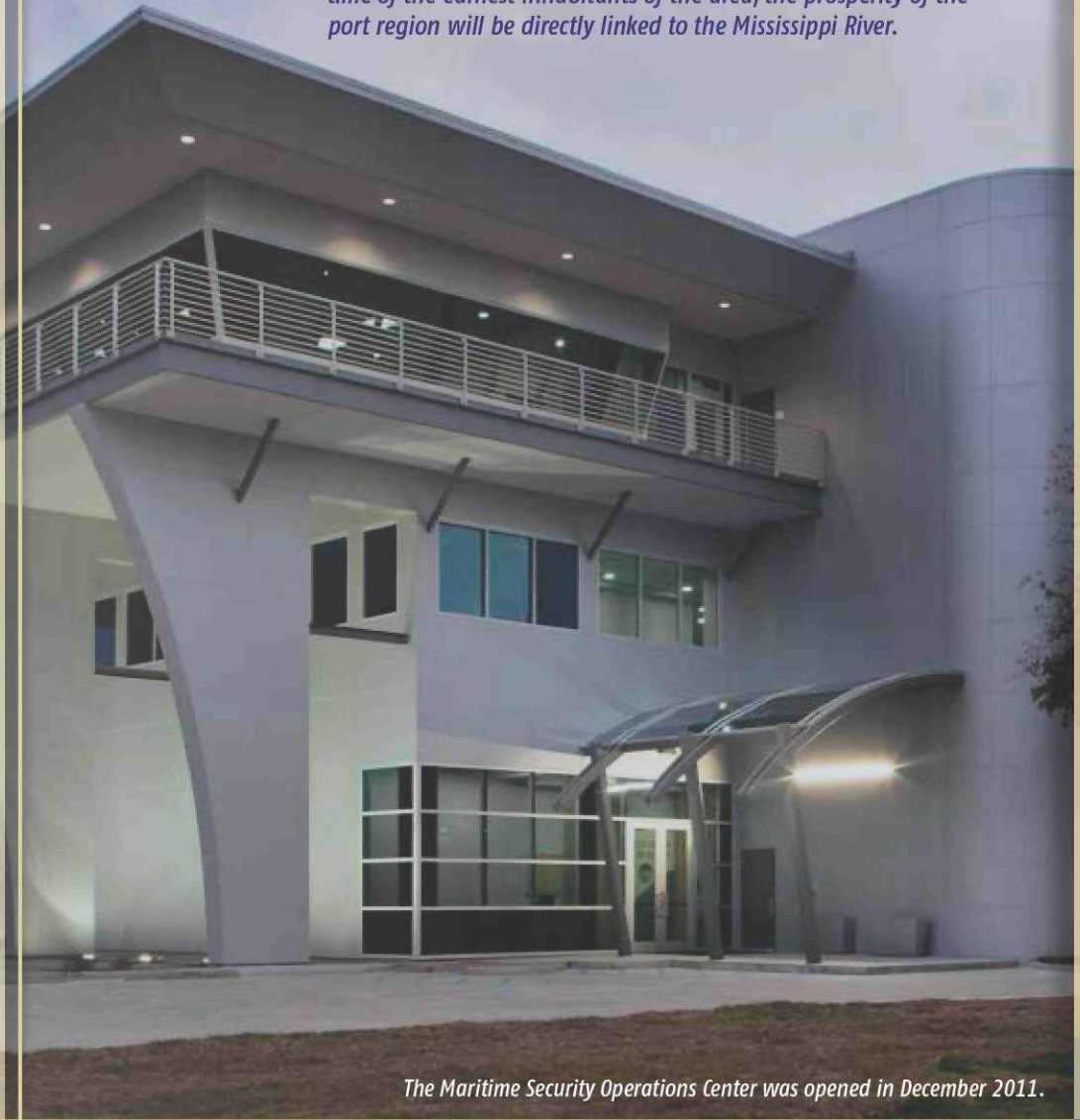
FISCAL YEAR					
2008	2007	2006	2005	2004	2003
146,563	174,445	90,280	116,359	41,921	21,019
1,104,710	970,552	813,198	1,188,287	1,150,328	1,393,356
226,724	260,595	178,612	258,918	259,497	276,717
-	-	-	-	-	414
2,444,888	2,510,500	1,937,477	1,540,970	1,556,460	1,368,863
299,180	164,469	296,505	516,632	405,830	366,631
554,225	760,308	223,769	173,886	163,144	282,614
-	-	-	1,726,252	3,026,242	2,092,330
4,776,290	4,840,869	3,539,841	5,521,304	6,603,422	5,801,944





*With a mission that continues to focus on promoting the public good, the Port of Greater Baton Rouge moves forward with great expectations and opportunities for the future. From the arrival of that first ship, the port has served as an economic asset for the parishes of Ascension, East Baton Rouge, West Baton Rouge, and Iberville by providing jobs and attracting new industry to the region.*

*The potential for continued economic vitality and growth in the years ahead for the four-parish area served by the Port of Greater Baton Rouge is tremendous. Just as it has always been since the time of the earliest inhabitants of the area, the prosperity of the port region will be directly linked to the Mississippi River.*



*The Maritime Security Operations Center was opened in December 2011.*

# Compliance

Compliance

REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF THE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Submitted by:

Department of Finance & Administration





**Broussard & Company**  
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners  
Greater Baton Rouge Port Commission  
Port Allen, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Greater Baton Rouge Port Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 10, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Broussard and Company*

Lake Charles, Louisiana  
June 10, 2013

One Lakeside Plaza, 127 West Broad Street,



Suite 800, Lake Charles, LA 70601



## GREATER BATON ROUGE PORT COMMISSION

## SCHEDULE OF FINDINGS

For the year ended December 31, 2012

## A. Summary of Auditors' Results

*Financial Statements*

Type of auditors' report issued: Unqualified

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   no

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no



COMPLIANCE REPORTS

GREATER BATON ROUGE  
PORT COMMISSION  
(STATE OF LOUISIANA)

AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 2012

Submitted by:

Department of Finance & Administration



Great Baton Rouge Port Commission  
STATE OF LOUISIANA  
Annual Financial Statements  
December 31, 2012

C O N T E N T S

Affidavit

Management's Discussion and Analysis (MD&A)

Statements

Balance Sheet A

Statement of Revenues, Expenses, and Changes in Fund Net Assets B

Statement of Activities C

Statement of Cash Flows D

Notes to the Financial Statements

- A. Summary of Significant Accounting Policies
- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments  
(See OSRAP Memo 13-01, Appendix A)
- D. Capital Assets – Including Capital Lease Assets
- E. Inventories
- F. Restricted Assets
- G. Leave
- H. Retirement System
- I. Other Postemployment Benefits  
(See OSRAP Memo 13-01, Appendix D)
- J. Leases
- K. Long-Term Liabilities
- L. Contingent Liabilities
- M. Related Party Transactions
- N. Accounting Changes
- O. In-Kind Contributions
- P. Defeased Issues
- Q. Revenues or Receivables – Pledged or Sold (GASB 48)  
(See OSRAP Memo 13-01, Appendix E)
- R. Government-Mandated Nonexchange Transactions (Grants)
- S. Violations of Finance-Related Legal or Contractual Provisions
- T. Short-Term Debt
- U. Disaggregation of Receivable Balances
- V. Disaggregation of Payable Balances
- W. Subsequent Events
- X. Segment Information

- Y. Due to/Due from and Transfers
- Z. Liabilities Payable from Restricted Assets
- AA. Prior-Year Restatement of Net Assets
- BB. Net Assets Restricted by Enabling Legislation  
(See OSRAP Memo 13-01, Appendix C)
- CC. Impairment of Capital Assets  
(See OSRAP Memo 13-01, Appendix B)
- DD. Employee Termination Benefits
- EE. Pollution Remediation Obligations
- FF. American Recovery and Reinvestment Act (ARRA)
- GG. Restricted Net Assets – Other Purposes

#### Schedules

- 1 Schedule of Per Diem Paid to Board Members
- 2 Not Applicable
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 15 Schedule of Comparison Figures and Instructions
- 16 Schedule of Cooperative Endeavors (see OSRAP Memo 13-01 Appendix F)

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ended December 31, 2012

**Greater Baton Rouge Port Commission**  
**2425 Ernest Wilson Drive**  
**P.O. Box 380**  
**Port Allen, LA 70767-0380**

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

**LLAFileroom@lla.la.gov.**

Physical Address:  
1201 N. Third Street  
Claiborne Building, 6<sup>th</sup> Floor, Suite 6-130  
Baton Rouge, Louisiana 70802

Physical Address:  
1600 N. Third Street  
Baton Rouge, Louisiana 70802

**AFFIDAVIT**

Personally came and appeared before the undersigned authority, Katie G. LeBlanc, Director of Finance and Administration of the Greater Baton Rouge Port Commission who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Greater Baton Rouge Port Commission at December 31, 2012 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 20th day of June, 2013.



Signature of Agency Official



NOTARY PUBLIC

T. BARRY WILKINSON  
BAR ROLL NO. 13,482

Prepared by: Katie G. LeBlanc

Title: Director of Finance & Administration

Telephone No.: (225) 342-1660, Ext. 1212

Date:

June 20, 2013

Email Address: leblanck@portgbr.com



**STATE OF LOUISIANA  
GREATER BATON ROUGE PORT COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF DECEMBER 31, 2012**

Please refer to the Management's Discussion and Analysis of the Greater Baton Rouge Port Commission in the Financial Section of this Comprehensive Annual Report for the year ending December 31, 2012.

**STATE OF LOUISIANA  
GREATER BATON ROUGE PORT COMMISSION  
BALANCE SHEET  
AS OF DECEMBER 31, 2012**

**Statement A**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 5,429,320
Restricted Cash and Cash Equivalents	
Investments	9,536,762
Derivative instrument	
Deferred outflow of resources	
Receivables (net of allowance for doubtful accounts)(Note U)	1,541,518
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	56,760
Notes receivable	
Other current assets	
Total current assets	16,564,360

**NONCURRENT ASSETS:**

Restricted assets (Note F):	
Cash	
Investments	739,549
Receivables	198
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	21,686,104
Buildings and improvements	37,732,365
Machinery and equipment	3,195,288
Infrastructure	
Intangible assets	
Construction/Development-in-progress	
Other noncurrent assets	102,007
Total noncurrent assets	63,455,511
Total assets	\$ 80,019,871

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$ 1,100,475
Derivative instrument	
Deferred inflow of resources	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	1,035,100
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	520,000
Contracts payable	533,666
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	48,405
Other long-term liabilities	76,820
Total current liabilities	3,314,466

**NONCURRENT LIABILITIES: (Note K)**

Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	50,048
Bonds payable (include unamortized costs)	
OPEB payable	2,324,274
Other long-term liabilities	3,815,309
Total noncurrent liabilities	6,189,631
Total liabilities	9,504,097

**NET ASSETS**

Invested in capital assets, net of related debt	58,278,448
Restricted for:	
Capital projects	
Debt Service	94,522
Unemployment compensation	
Other specific purposes	
Unrestricted	12,142,804
Total net assets	70,515,774
Total liabilities and net assets	\$ 80,019,871

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Statement B**

**OPERATING REVENUE**

Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	5,302,734
Other	1,503,060
Total operating revenues	6,805,794

**OPERATING EXPENSES**

Cost of sales and services	2,331,907
Administrative	2,436,164
Depreciation	2,818,311
Amortization	_____
Total operating expenses	7,586,382
Operating income(loss)	(780,588)

**NON-OPERATING REVENUES (EXPENSES)**

State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____
Gain on disposal of fixed assets	202
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	251,835
Other expense	(441,948)
Total non-operating revenues(expenses)	(189,911)
Income(loss) before contributions, extraordinary items, & transfers	(970,499)
Capital contributions	2,461,976
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	1,491,477
Total net assets – beginning	69,024,297
Total net assets – ending	\$ 70,515,774

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA  
GREATER BATON ROUGE PORT COMMISSION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**Statement C**

	Program Revenues			Net (Expense)	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Entity	\$ 8,028,330	\$ 6,805,794	\$	\$ 2,461,976	\$ 1,239,440
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					246,720
Miscellaneous					5,317
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					252,037
Change in net assets					1,491,477
Net assets - beginning					69,024,297
Net assets - ending				\$	70,515,774

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
GREATER BATON ROUGE PORT COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**Statement D  
(continued)**

<b>Cash flows from operating activities</b>		
Cash receipts from customers	\$ 6,726,155	
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(2,141,262)	
Cash payments to employees for services	(2,231,049)	
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any		
Net cash provided(used) by operating activities		2,353,844
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		-
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable	(498,850)	
Interest paid on notes payable	(233,909)	
Acquisition/construction of capital assets	(7,924,576)	
Proceeds from sale of capital assets		
Capital contributions	3,129,133	
Other	5,115	
Net cash provided(used) by capital and related financing activities		(5,523,087)
<b>Cash flows from investing activities</b>		
Purchases of investment securities		
Proceeds from sale of investment securities	1,355,000	
Interest and dividends earned on investment securities	501,454	
Net cash provided(used) by investing activities		1,856,454
Net increase(decrease) in cash and cash equivalents		(1,312,789)
Cash and cash equivalents at beginning of year		6,742,109
Cash and cash equivalents at end of year	\$	5,429,320

**STATE OF LOUISIANA  
GREATER BATON ROUGE PORT COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**Statement D  
(concluded)**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$ <u>(780,588)</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	<u>2,818,311</u>	
Provision for uncollectible accounts	<u></u>	
Other	<u></u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u>(293,414)</u>	
(Increase)decrease in due from other funds	<u></u>	
(Increase)decrease in prepayments	<u>(2,803)</u>	
(Increase)decrease in inventories	<u></u>	
(Increase)decrease in other assets	<u></u>	
Increase(decrease) in accounts payable and accruals	<u>190,645</u>	
Increase(decrease) in compensated absences payable	<u></u>	
Increase(decrease) in due to other funds	<u></u>	
Increase(decrease) in deferred revenues	<u>213,775</u>	
Increase(decrease) in OPEB payable	<u>207,918</u>	
Increase(decrease) in other liabilities	<u></u>	
Net cash provided(used) by operating activities		\$ <u><u>2,353,844</u></u>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease(s)	\$ <u></u>
Contributions of fixed assets	<u></u>
Purchases of equipment on account	<u></u>
Asset trade-ins	<u></u>
Other (specify)	<u></u>
Change in unrealized loss on investments	<u>(115,891)</u>
Change in investment premiums and discounts	<u>(123,709)</u>
Change in accrual of capital contributions	<u>(667,157)</u>
<b>Total noncash investing, capital, and financing activities:</b>	\$ <u><u>(906,757)</u></u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2012**

**INTRODUCTION**

The Greater Baton Rouge Port Commission was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 29, Article VI. The following is a brief description of the operations of the Greater Baton Rouge Port Commission and includes the parish/parishes in which the Greater Baton Rouge Port Commission is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Commission present information only as to the transactions of the programs of the Commission as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Commission are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2012**

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Commission are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>4,950,000</u>
Amendments:	_____
	_____
	_____
Final approved budget	\$ <u><u>4,950,000</u></u>

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Memo 13-01, Appendix A, for information related to Note C.

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Commission may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2012**

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**GASB Statement 40, which amended GASB Statement 3**, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at December 31, 2012, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 5,429,320	\$	\$	\$ 5,429,320
Deposits in bank accounts per bank	\$ 5,512,515	\$	\$	\$ 5,512,515
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution	5,512,515			5,512,515
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per Balance Sheet" due to outstanding items.

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2012**

The following is a breakdown by banking institution, program, and amount of the “Deposits in bank accounts per bank” balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Hancock Bank</u>		<u>5,512,515</u>
2. _____		_____
3. _____		_____
4. _____		_____
Total		\$ <u><u>5,512,515</u></u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ <u><u>1,000</u></u>

## 2. INVESTMENTS

The Commission does maintain investment accounts as authorized by the laws of the State of Louisiana.

### Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or held by the counterparty’s trust department or agent, but not in the entity’s name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty’s trust department or agent not in the entity’s name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2012**

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	9,284,845	9,284,845
U.S. Agency Obligations***	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ****	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
LAMP	_____	_____	248,562	248,562
Hancock Horizon Government MMF	_____	_____	739,549	739,549
Stock	_____	_____	3,355	3,355
Total investments	\$ _____ -	\$ _____ -	\$ 10,276,311	\$ 10,276,311

\* Unregistered - not registered in the name of the government or entity

\*\* These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix A, Memo 13-01 for the definition of US Government Obligations)

\*\*\* These obligations may not be exposed to custodial credit risk (See Appendix A, Memo 13-01 for discussion of FNMA & FHLMC)

**3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES**

**A. Credit Risk of Debt Investments**

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
N/A	Not Rated	\$ 9,284,845
Standard and Poors	AAAm	739,549
Standard and Poors	AAAm	248,562
_____	_____	_____
_____	_____	_____
Total		\$ 10,272,956

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2012**

**B. Interest Rate Risk of Debt Investments**

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments, **unless you have an external investment pool as discussed in OSRAP Memo 11-22.**)

Type of Debt Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	\$ 9,284,845	\$ 2,943,035	\$ 6,341,810	\$	\$
Government MMF	739,549	739,549			
LAMP	248,202	248,202			
Collateralized mortgage obligations					
Corporate bonds					
Other bonds (describe)					
Mutual bond funds					
Other					
Total debt investments	\$ 10,272,596	\$ 3,930,786	\$ 6,341,810	\$ -	\$ -

2. There were no debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment.

**C. Concentration of Credit Risk**

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
Federal Home Loan Bank	\$ 2,096,197	28.40%
FNMA	4,130,360	56.00%
Federal Farm Credit Bank	1,146,632	15.60%
Total	\$ 7,373,189	

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2012**

D. Foreign Currency Risk

The Commission was not exposed to foreign currency risk (deposits or investments denominated in foreign currencies).

4. DERIVATIVES (GASB 53)

The Commission does not invest in derivatives as part of its investment policy.

5. POLICIES

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and cash in trust accounts. The commission is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federal sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government, time certificate of deposits of any bank domiciled or having a branch office in the State of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

All investment policies conform to state law.

In accordance with the provisions of Government Accountings Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

- a. There were no investments in pools managed by other governments or mutual funds.
- b. There were no securities with underlying reverse repurchase agreements.

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2012**

- c. There were no unrealized investment losses.
- d. There were no commitments as of December 31, 2012 (fiscal close), to resell securities under yield maintenance repurchase agreements.
- e. There were no losses during the year due to default by counterparties to deposit or investment transactions.
- f. There were no amounts recovered from prior-period losses which are not shown separately on the balance sheet.

Legal or Contractual Provisions for Reverse Repurchase Agreements – N/A

Reverse Repurchase Agreements as of Year-End – N/A

Fair Value Disclosures (GASB 31) – N/A

Land and Other Real Estate Held as Investments by Endowments (GASB 52) – N/A

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

**STATE OF LOUISIANA  
GREATER BATON ROUGE PORT COMMISSION  
Notes to the Financial Statement  
As of and for the year ended December 31, 2012**

Schedule of Capital Assets (includes capital leases)

<u>Agency</u>	Balance 12/31/2011	Prior Period Adjustments	Restated Balance 12/31/2011	Additions	* Reclassifi- cation of CIP	** Retirements	Balance 12/31/2012
Capital assets not depreciated:							
Land	\$ 8,108,557	\$ -	\$ 8,108,557	\$ 3,094,183	\$ -	\$ -	\$ 11,202,740
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	10,265,547	-	10,265,547	4,314,641	-	(4,096,824)	10,483,364
Total capital assets not depreciated	\$ 18,374,104	\$ -	\$ 18,374,104	\$ 7,408,824	\$ -	\$ (4,096,824)	\$ 21,686,104
Other capital assets:							
Railroad tracks, yards, and drainage	\$ 14,985,405	\$ -	\$ 14,985,405	\$ -	\$ -	\$ -	\$ 14,985,405
** Accumulated depreciation	(7,126,710)	-	(7,126,710)	(410,916)	-	-	(7,537,626)
Total land improvements	7,858,695	-	7,858,695	(410,916)	-	-	7,447,779
Buildings	78,950,099	-	78,950,099	4,347,841	-	-	83,297,940
** Accumulated depreciation	(51,203,801)	-	(51,203,801)	(1,809,554)	-	-	(53,013,355)
Total buildings	27,746,298	-	27,746,298	2,538,287	-	-	30,284,585
Machinery & equipment	8,310,702	-	8,310,702	376,991	-	-	8,687,693
** Accumulated depreciation	(5,106,055)	-	(5,106,055)	(561,843)	-	-	(5,667,898)
Total machinery & equipment	3,204,647	-	3,204,647	(184,852)	-	-	3,019,795
Infrastructure	812,671	-	812,671	22,023	-	-	834,694
** Accumulated depreciation	(623,202)	-	(623,202)	(35,998)	-	-	(659,200)
Total infrastructure	189,469	-	189,469	(13,975)	-	-	175,494
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 38,999,109	\$ -	\$ 38,999,109	\$ 1,928,544	\$ -	\$ -	\$ 40,927,653
Capital asset summary:							
Capital assets not depreciated	\$ 18,374,104	\$ -	\$ 18,374,104	\$ 7,408,824	\$ -	\$ (4,096,824)	\$ 21,686,104
Other capital assets, book value	103,058,877	-	103,058,877	4,746,855	-	-	107,805,732
Total cost of capital assets	121,432,981	-	121,432,981	12,155,679	-	(4,096,824)	129,491,836
Accumulated depreciation/amortization	(64,059,768)	-	(64,059,768)	(2,818,311)	-	-	(66,878,079)
Capital assets, net	\$ 57,373,213	\$ -	\$ 57,373,213	\$ 9,337,368	\$ -	\$ (4,096,824)	\$ 62,613,757

\* Should only be used for those completed projects coming out of construction-in-progress to capital assets.

\*\* Enter a negative number except for accumulated depreciation in the retirement column

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2012**

**E. INVENTORIES**

The Commission does not maintain any inventories.

**F. RESTRICTED ASSETS**

Restricted assets in the Commission at December 31, 2012, reflected at \$739,747 in the current assets section on Statement A, consist of \$739,549 in cash with fiscal agent and \$198 in interest receivable.

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Commission has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**2. COMPENSATORY LEAVE**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at December 31, 2012 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0. The leave payable is recorded in the accompanying financial statements.

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**H. RETIREMENT SYSTEM**

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Commission employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2011 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. A copy of the report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

[http://www.lasersonline.org/uploads/2011\\_CAFR\\_web\\_version.pdf](http://www.lasersonline.org/uploads/2011_CAFR_web_version.pdf)

Members are required by state statute to contribute with the vast majority of employees of the state who became members before July 1, 2006 contributing 7.5% of gross salary. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8% for new members hired after June 30, 2006. The Commission is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended December 31, 2012, increased to 26% of annual covered payroll from the 21.7% and 22.0% required in fiscal years ended December 31, 2011 and 2010 respectively.

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The Commission contributions to the System for the years ending December 31, 2012, 2011, and 2010, were \$348,004, \$302,286, and \$275,757, respectively, equal to the required contributions for each year.

**I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

**1. Calculation of Net OPEB Obligation**

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - <http://www.doa.louisiana.gov/OSRAP/afpockets.htm>) and select "GASB 45 OPEB Valuation Report as of July 1, 2011, to be used for fiscal year ending June 30, 2012." Report note disclosures for other plans, not administrated by OGB, separately.

	Annual OPEB expense and net OPEB Obligation	12/31/2012
Fiscal year ending		
1. * ARC		\$ 381,600
2. * Interest on NOO		72,200
3. * ARC adjustment		(69,000)
4. * Annual OPEB Expense		384,800
5. Claims Costs		(176,882)
6. Increase in Net OPEB Obligation		207,918
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)		2,116,356
8. **NOO, end of year		\$ 2,324,274

\*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2011, to be used for fiscal year ending June 30, 2012."

\*\*This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2012 if your entity's only OPEB is administered by OGB.

For more information on calculating the annual OPEB expense and the net OPEB obligation, see OSRAP Memo 13-01, Appendix D, on our website.

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**J. LEASES**

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2012 amounted to \$0.

2. CAPITAL LEASES

Capital leases are not recognized in the accompanying financial statements.

3. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), or both of the criteria for a lessor lease (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of December 31, 2012:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Railroad tracks and yards	\$ 562,680	\$ 556,088	\$ 6,592
b. Roadways and surface drainage	4,908,723	1,408,275	3,500,448
c. Buildings and structures	40,007,264	29,894,899	10,112,365
d. Equipment	2,308,409	2,308,409	-
e. Other			-
Total	\$ 47,787,076	\$ 34,167,671	\$ 13,619,405

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of December 31, 2012:

Year Ended June 30,	Office Space	Equipment	Land & Facilities	Other	Total
2013	\$	\$	\$ 2,415,245	\$	\$ 2,415,245
2014			2,231,936		2,231,936
2015			2,192,950		2,192,950
2016			2,107,245		2,107,245
2017			3,386,452		3,386,452
2018-2022			17,298,828		17,298,828
2023-2027					-
2028-2032					-
Total	\$ -	\$ -	\$ 29,632,656	\$ -	\$ 29,632,656

Current year lease revenues received in fiscal year 2012 totaled \$3,896,287. There were no contingent rentals received from operating leases received in the fiscal year for office space, equipment or land.

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**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2012:

	Balance December 31, 2011	Year ended June 30, 2012		Balance December 31, 2012	Amounts due within one year
		Additions	Reductions		
<b>Notes and bonds payable:</b>					
Notes payable	\$ 4,834,159	\$	\$ 1,018,850	\$ 3,815,309	\$ 520,000
Bonds payable				-	
Total notes and bonds	<u>4,834,159</u>	<u>-</u>	<u>1,018,850</u>	<u>3,815,309</u>	<u>520,000</u>
<b>Other liabilities:</b>					
Contracts payable				-	
Compensated absences payable	-	-		-	
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation	80,048		30,000	50,048	
OPEB payable	2,116,356	207,918		2,324,274	
Other long-term liabilities				-	
Total other liabilities	<u>2,196,404</u>	<u>207,918</u>	<u>30,000</u>	<u>2,374,322</u>	<u>-</u>
Total long-term liabilities	\$ <u>7,030,563</u>	\$ <u>207,918</u>	\$ <u>1,048,850</u>	\$ <u>6,189,631</u>	\$ <u>520,000</u>

**L. CONTINGENT LIABILITIES**

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. The State has a Self-Insurance Fund administered by the Office of Risk Management and it negotiates, and settles certain tort claims against the State or State agencies. Those claims against the State not handled through the Office of Risk Management should be reported in the following note. Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in the impairment note.

The Commission is exposed to various risks of losses related to general liability; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; employee health and accident; and natural disasters. The Commission is a party to various legal proceedings incidental to its business. Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the Commission. In the opinion of management, all such matters are adequately covered by commercial insurance purchased by the Commission, or if not so covered, are not expected to have a material effect on the financial statements of the Commission. Settlement amounts have not exceeded insurance coverage for the current period or the three prior years.

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At December 31, 2012, the Commission is a codefendant in three lawsuits involving asbestos exposure while the plaintiffs were employed by others on Commission property. In the opinion of the Commission's attorney, it is reasonably possible that there may be an unfavorable outcome to the Commission. In the event that the Commission is found liable and damages are imposed, the liability to the Commission in excess of insurance is estimated at \$400,000. Management intends to vigorously defend these matters.

Subsequent to December 31, 2012, the Commission settled with one of the plaintiffs for \$200,000. The settlement has been recognized in accrued expenses on the financial statements.

**M. RELATED PARTY TRANSACTIONS**

FASB Codification Section 850 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. There were no related party transactions during the current financial reporting period.

**N. ACCOUNTING CHANGES**

The Commission did not adopt any changes in the fiscal year 2012 that would result in the change in format and content of the basic financial statements.

**O. IN-KIND CONTRIBUTIONS**

There were no in-kind contributions as of December 31, 2012.

**P. DEFEASED ISSUES**

There were no defeased issues during the year ended December 31, 2012 for the Commission.

**Q. REVENUES – PLEDGED OR SOLD (GASB 48)**

**1. PLEDGED REVENUES**

There were no pledged revenues as of December 31, 2012.

**2. FUTURE REVENUES REPORTED AS A SALE**

There were no future revenues reported as of December 31, 2012.

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**GREATER BATON ROUGE PORT COMMISSION**  
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**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)**

There were no government-mandated nonexchange transactions (grants) for the fiscal year 2012.

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS**

At December 31, 2012, the Commission had no violations of finance-related legal or contractual obligations.

**T. SHORT-TERM DEBT**

The Commission does not issue short-term notes.

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at December 31, 2012, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$	\$	\$	\$	\$
Gross receivables	\$ 1,468,639	\$ -	\$ -	\$ 74,979	\$ 1,543,618
Less allowance for uncollectible accounts	(2,100)				(2,100)
Receivables, net	\$ 1,466,539	\$ -	\$ -	\$ 74,979	\$ 1,541,518
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at December 31, 2012, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$	\$	\$	\$	\$
	\$ 477,176	\$ 60,813	\$ 76,820		\$ 614,809
					-
Total payables	\$ 477,176	\$ 60,813	\$ 76,820	\$ -	\$ 614,809

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
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**W. SUBSEQUENT EVENTS**

There were no material events affecting the Commission occurring between the close of the fiscal period and the issuance of the financial statement.

**X. SEGMENT INFORMATION**

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures.

Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by each segment:

Segment No. 1 Administration of Port activities with the Greater Baton Rouge Area  
Segment No. 2 \_\_\_\_\_

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
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**As of and for the year ended December 31, 2012**

A. Condensed balance sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTAs should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTAs should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ 17,304,107	\$ _____
Due from other funds	_____	_____
Capital assets	62,715,764	_____
Other assets	841,754	_____
Current liabilities	3,314,466	_____
Due to other funds	_____	_____
Long-term liabilities	6,189,631	_____
Restricted net assets	94,522	_____
Unrestricted net assets	12,142,804	_____
Invested in capital assets, net of related debt	58,278,448	_____

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2012**

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ 6,805,794	\$ _____
Operating expenses	4,768,071	_____
Depreciation and amortization	2,818,311	_____
Operating income (loss)	(780,588)	-
Nonoperating revenues (expenses)	(189,911)	_____
Capital contributions/additions to permanent and term endowments	2,461,976	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	1,491,477	-
Beginning net assets	69,024,297	_____
Ending net assets	70,515,774	-

**STATE OF LOUISIANA**  
**GREATER BATON ROUGE PORT COMMISSION**  
**Notes to the Financial Statement**  
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C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
  - (a) Operating activities
  - (b) Noncapital financing activities
  - (c) Capital and related financing activities
  - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ 2,353,844	\$
Net cash provided (used) by noncapital financing activities		
Net cash provided (used) by capital and related financing activities	(5,523,087)	
Net cash provided (used) by investing activities	1,856,454	
Beginning cash and cash equivalent balances	6,742,109	
Ending cash and cash equivalent balances	5,429,320	-

**Y. DUE TO/DUE FROM AND TRANSFERS**

The Commission has only one fund and consequently, there is no inter-fund activity.

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from restricted assets in the Commission at December 31, 2012, reflected at \$645,225 in the liabilities section on Statement A, consist of \$520,000 in current portion of notes payable, \$48,405 in unredeemed bonds and coupons, and \$76,820 in accrued interest payable.

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS**

There were no adjustments to restate beginning net assets for January 1, 2012.

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)**

Of the total net assets reported on Statement A at December 31, 2012, \$0 are restricted by enabling legislation.

**STATE OF LOUISIANA**  
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**CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES**

There were no impaired capital assets at December 31, 2012.

**DD. EMPLOYEE TERMINATION BENEFITS**

The Commission had no termination benefits liability or expense as of December 31, 2012.

**EE. POLLUTION REMEDIATION OBLIGATIONS**

The presence of chlorinated hydrocarbons near the Commission's property was first discovered during testing performed in connection with a neighboring property owner's own environmental remediation issues.

Rollins Environmental Services, Inc. (REN) conducted additional testing to identify the source and extent of chlorinated organic compounds. The preliminary site assessment revealed the presence of chlorinated hydrocarbons in the area of the barge terminal on the Commission's property. A plausible explanation of the presence of these chemicals is the vertical migration resulting from surface spillage caused by the transfer or piping of such materials during prior storage or shipment on the premises. An independent remediation contractor developed a remediation plan based on estimated annual expenses ranging from \$35,000 to \$40,000 for a period of 12 to 14 years. The remediation plan was proposed to and approved by the Louisiana Department of Environmental Quality. The resulting estimated potential liability of \$500,000 is being shared equally by the Commission and two other potentially responsible parties. This liability could change due to price increases, changes in technology, or other factors. The Commission paid \$30,000 in 2012 on this cost. The liability balance as of December 31, 2012 is \$50,048.

**FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

The Commission did not receive any ARRA revenue and incurred no ARRA expenses in fiscal year 2012 on a full accrual basis.

**STATE OF LOUISIANA  
GREATER BATON ROUGE PORT COMMISSION  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
DECEMBER 31, 2012**

Name	Amount
<u>Donald Bohach</u>	\$ <u>1,050</u>
<u>Randy Brian</u>	<u>1,650</u>
<u>Alvin Dragg</u>	<u>825</u>
<u>Timothy Hardy</u>	<u>1,500</u>
<u>Brenda Hurst</u>	<u>1,800</u>
<u>Larry Johnson</u>	<u>150</u>
<u>Jerald Juneau</u>	<u>1,800</u>
<u>Raymond Loupe</u>	<u>1,425</u>
<u>Angela Machen</u>	<u>1,650</u>
<u>Roy Pickern</u>	<u>1,350</u>
<u>Randy Poche</u>	<u>1,725</u>
<u>Corey Sarullo</u>	<u>1,500</u>
<u>Clint Seneca</u>	<u>1,725</u>
<u>Blaine Sheets</u>	<u>1,200</u>
<u>John Tilton</u>	<u>1,800</u>
Total	\$ <u><u>21,150</u></u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

## SCHEDULE 1

**STATE OF LOUISIANA  
GREATER BATON ROUGE PORT COMMISSION  
SCHEDULE OF NOTES PAYABLE  
DECEMBER 31, 2012**

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2011	Redeemed (Issued)	Principal Outstanding 12/31/2012	Interest Rates	Interest Outstanding 12/31/2012
1999A	3/31/99	\$5,700,000	\$3,020,000	\$310,000	\$2,710,000	8%-5.5%	\$578,086
1999B	3/31/99	\$3,300,000	\$1,750,000	\$180,000	\$1,570,000	8%-5.5%	\$280,047
Premium		<u>-0-</u>	<u>64,159</u>	<u>\$8850</u>	<u>\$55,309</u>		
Total		<u>\$9,000,000</u>	<u>\$4,834,159</u>	<u>\$498,850</u>	<u>\$4,335,309</u>		<u>\$858,133</u>

## SCHEDULE 3-A

